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July 22, 2003

OF COUNSEL
WILLIAM M. KAHN
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BY HAND DELIVERY

Honorable Stuart M. Bernstein
Chief U.S. Bankruptcy Judge
United States Bankruptcy Court
The Alexander Hamilton Custom House
One Bowling Green, Chambers Room 729
New York, NY 10004-1408

Re: Cedar Chemical Corporation and Vicksburg Chemical Company
Case Nos. 02-11039 and 02-11040 (SMB) Jointly Administered

Honorable Sir:

I have been advised by William M. Kahn, of counsel to this firm, of the events which transpired before you this morning at the scheduled pre-trial of approximately 18 adversary proceedings brought to recover alleged preferential transfers. I must conclude from that report that Your Honor is dissatisfied with the performance of my firm in its representation of the above two debtors.

Under these circumstances, I think it would be constructive and I hereby respectfully request that Your Honor chair a conference with me on behalf of the Debtors, together with a representative from Satterlee Stephens Burke & Burke, LLP, attorneys for the Unsecured Creditors Committee, and a representative from Davis Polk & Wardwell, attorneys for JP Morgan Bank for itself and other banks and a representative from the office of the United States Trustee to discuss the present posture of the case.

In support of my request, and in advance of a conference, I would like to take this opportunity to advise the Court that the Debtors' counsel recently concluded an overall case status review (*i.e.*, claims, money on hand, and foreseeable collections), and we together with the Debtors' chief restructuring officer have concluded that a liquidating plan should be filed in these cases. That conclusion is based upon our determination that sufficient funds are or will be available to pay all administration expenses and priority claims in full, and that a modest

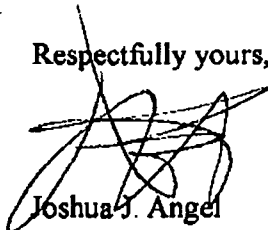


ANGEL & FRANKEL, P.C.

Honorable Stuart M. Bernstein
July 22, 2003
Page 2

dividend to the Unsecured Creditors will be available if our planned claims objections are reasonably successful.

Respectfully yours,

A handwritten signature in black ink, appearing to be "Joshua J. Angel", written over the typed name.

Joshua J. Angel

WMK:ga

cc: Timothy J. Brock, Esq.
Benjamin Kaminetzky, Esq.
Office of the United States Trustee

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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In the Matter

of

CEDAR CHEMICAL CORPORATION and
VICKSBURG CHEMICAL COMPANY,

Debtors.

Case No.
02-11039
02-11040

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March 8, 2002

United States Custom House
One Bowling Green
New York, New York 10004

Hearing RE: First Day Orders

B E F O R E:

HON. -STUART M. BERNSTEIN,

Bankruptcy Judge.

1 CEDAR CHEMICAL CORP. and VICKSBURG CHEMICAL CO.

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A P P E A R A N C E S :

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BY: FREDERICK E. SCHMIDT, ESQ., of Counsel
BONNIE L. POLLACK, ESQ., of Counsel

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DAVIS, POLK & WARDWELL
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BY: MARSHALL SCOTT HUEBNER, ESQ., of Counsel
BENJAMIN KAMINETZKY, ESQ., of Counsel

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CAROLYN S. SCHWARTZ, ESQ.,
Office of the United States Trustee
33 Whitehall Street
New York, New York 10004

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BY: BRIAN MASUMOTO, ESQ., of Counsel

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1 CEDAR CHEMICAL CORP. and VICKSBURG CHEMICAL CO.

2 P R O C E E D I N G S

3 THE COURT: Please be seated. Cedar
4 Chemical.

5 MS. POLLACK: Good afternoon, Your
6 Honor, Bonnie Pollack, Angel & Frankel, for the
7 Debtors, Cedar Chemical Corporation and Vicksburg
8 Chemical Company.

9 MR. HUEBNER: Good afternoon, I'm
10 Marshall Huebner of the firm of Davis, Polk &
11 Wardwell, on behalf of J.P. Morgan Chase.

12 THE COURT: Okay.

13 MS. POLLACK: As Your Honor is aware,
14 early this morning, two Chapter 11 cases were
15 filed, one for Cedar Chemical Corporation and one
16 for Vicksburg Chemical Company. We are here on
17 several First Day motions. We have had an
18 opportunity to convene with the United States
19 Trustee for a little while this afternoon, and we
20 have some agreements and changes to the orders as
21 they are before you.

22 I am happy to go through them.

23 THE COURT: Sure.

24 MS. POLLACK: The first order that we
25 would like entered is an order jointly

1 CEDAR CHEMICAL CORP. and VICKSBURG CHEMICAL CO.
2 administering these estates. There has been no
3 objection to the Office -- from the Office of the
4 United States Trustee on that. That is No. 3 in
5 the binder that we have put forth.

6 THE COURT: Okay. The application is
7 granted. Do you have the order?

8 MS. POLLACK: I do.

9 THE COURT: Okay. I have signed that
10 order.

11 MS. POLLACK: Thank you.

12 Also, on today is an application to
13 retain the firm of Angel & Frankel as counsel to
14 the Debtors. We have agreed to include a
15 provision in that order that it will become a
16 final order in 30 days, subject to the rights of
17 the U.S. Trustee or any other party to object.

18 THE COURT: How quick are we going to
19 get notice that they have 30 days to object to the
20 contents of the provision?

21 MS. POLLACK: We can send a copy of
22 the order to the top 20 creditors of each company.

23 THE COURT: Why don't you just
24 proceed, and what I usually do is just proceed by
25 notice of presentment to extend the

1 CEDAR CHEMICAL CORP. and VICKSBURG CHEMICAL CO.
2 representation. If you want to do it on the top
3 20 creditors, that is fine, the U.S. Trustee.

4 MS. POLLACK: I will do that.

5 THE COURT: Just mark up the order to
6 reflect that, and then you can hand it up.

7 MS. POLLACK: Thank you.

8 We also have an application to extend
9 the Debtors' time to file their schedules for
10 three days. The time period presently expires
11 March 25. We would ask that the -- that it be
12 extended to April 24th.

13 THE COURT: Any objection?

14 MR. MASUMOTO: No objection, Your
15 Honor.

16 THE COURT: Okay, the application is
17 granted.

18 MS. POLLACK: Thank you.

19 THE COURT: I have signed the order.

20 MS. POLLACK: We also have an
21 application to retain the firm of Marata, Gunn,
22 Budd & Dzera, D-z-e-r-a, as manager and
23 restructuring officer. We have agreed to change
24 in that order their retention to Section 363 of
25 the Code from Section 327, and also add a

1 CEDAR CHEMICAL CORP. and VICKSBURG CHEMICAL CO.
2 provision as to the order becoming final in 30
3 days.

4 We will similarly mark it up to
5 provide for notice of presentment of that as we
6 are without a retention.

7 THE COURT: Okay. Any objection?

8 MR. MASUMOTO: No objection, Your
9 Honor.

10 THE COURT: Mr. Gund, don't you have
11 to run the golf case?

12 (Discussion off the record)

13 MS. POLLACK: We have an application
14 to authorize the payment of prepetition wages and
15 health benefits to employees. It seeks to pay up
16 to \$4,650 in gross amount per employee, and the
17 gross dollar cap will not apply to health and
18 medical reimbursements, which are uncapped.

19 THE COURT: Are these prepetition
20 claims?

21 MS. POLLACK: These are prepetition
22 priority claims, to the extent the 4,650 is for
23 the salaries.

24 THE COURT: Don't you have to
25 combine -- you are combining the two priorities,

1 CEDAR CHEMICAL CORP. and VICKSBURG CHEMICAL CO.

2 right, so the aggregate amount you can pay under

3 both priorities is 4600?

4 MS. POLLACK: On the health benefits,

5 we are not capping --

6 THE COURT: Aren't they capped? What

7 is the priority?

8 MR. MASUMOTO: Your Honor, they are

9 capped. Typically, we do cap. It has -- it seems

10 to have become a trend in this district, whereas,

11 under 105, under a document of necessity, medical

12 benefits are paid without the cap. Typically, our

13 position is that the Code only limits all of the

14 benefits to 4650.

15 THE COURT: Are you exceeding the

16 priority if you aggregate the two payments?

17 MR. MASUMOTO: We have been advised

18 that the Debtor may not necessarily know.

19 In fact, something that the lenders

20 have raised is that in some cases, the Debtor may

21 not be permitted through confidentiality reasons

22 to know what the medical expense reimbursements

23 will be for particular employees.

24 MS. POLLACK: We certainly don't

25 know.

1 CEDAR CHEMICAL CORP. and VICKSBURG CHEMICAL CO.

2 THE COURT: They would have to know
3 before they pay it.

4 MS. POLLACK: We certainly don't know
5 as we sit here today.

6 THE COURT: You don't have to know I
7 thought you take the number of employees, and you
8 multiply that by the cap and come up with an
9 aggregate cap for that kind of expense, don't you?

10 MR. MASUMOTO: Your Honor --

11 THE COURT: I have never seen a case
12 where you look at it per employee.

13 MS. POLLACK: Well, the priority cap
14 is per employee.

15 THE COURT: Yes, but I thought what
16 they would usually do is just multiply the number
17 of employees by the cap per person.

18 MR. HUEBNER: Your Honor, with all
19 due respect, that is probably something we would
20 not be comfortable with, because that will admit
21 the possibility that senior executives could get
22 substantially more than per individual cap. That
23 would not be constant with the philosophy behind
24 allowing hardship payments.

25 I think the issue with health and

1 CEDAR CHEMICAL CORP. and VICKSBURG CHEMICAL CO.
2 medical is that in many companies, they have
3 third-party medical insurance, so it is just not
4 an issue that would come before the Court. Some
5 companies are effectively self-insured, so while
6 the employee may have had an operation yesterday
7 and thinks he has medical insurance, he would be
8 shocked and under real hardship when he went to
9 get the bill paid by Aetna, when it turned out
10 that Aetna was merely the administrator of the
11 Debtor's self-insurance plan, and he did not have
12 any coverage for his --

13 THE COURT: Is the Debtor --

14 MS. POLLACK: We are self-insured.
15 We are non-self-insured for a small portion of our
16 benefits. We are self-insured for the majority of
17 our benefits for which we pay minimal
18 administrative costs, and, then, we pay the
19 claims.

20 That is what I started saying
21 earlier, is that there are, I am sure, incurred
22 but not reported claims for the prepetition period
23 that we have no idea of knowing how much they are.

24 THE COURT: And you are saying that
25 you are not going to pay more than \$4600 per

1 CEDAR CHEMICAL CORP. and VICKSBURG CHEMICAL CO.

2 person?

3 MS. POLLACK: No, we are asking that
4 for those benefits that they not be capped.

5 THE COURT: So, what if somebody has
6 a \$50,000 benefit, \$50,000 medical --

7 MS. POLLACK: Claims are subject to
8 the cash collateral order.

9 THE COURT: I don't know how I can
10 agree to uncapped. I have no idea about how much
11 you are paying. I know medical expenses can be
12 very costly. I understand what the argument is,
13 but they are prepetition claims. These people may
14 not be with the company anymore, you know, I don't
15 know.

16 MR. HUEBNER: Maybe the thing to do,
17 I am just really hypothesizing for everybody's
18 benefit, is to have the cap applied across the
19 board on a preliminary basis. If it turns out
20 there is a hardship case, I think that is the way
21 the words are read in the docket --

22 MS. POLLACK: That is how the order
23 was.

24 THE COURT: What changed it?

25 MR. HUEBNER: Discussions, I think.

1 CEDAR CHEMICAL CORP. and VICKSBURG CHEMICAL CO.

2 THE COURT: You are giving away the
3 secured parties' --

4 MS. POLLACK: They convinced me to
5 ask for more than I had already asked for.

6 THE COURT: It sounds like a game of
7 telephone. We will limit it for the time being to
8 the cap. If there is a situation where you think
9 it is appropriate to exceed the cap, you will have
10 to make a motion on that.

11 MS. POLLACK: Thank you.

12 MR. MASUMOTO: That is fine.

13 THE COURT: So, you will mark up that
14 order how you originally had it.

15 MS. POLLACK: I can now hand it up.

16 THE COURT: Okay.

17 MR. HUEBNER: Just for the record --

18 THE COURT: I am glad to see after
19 all of those conversations with the lender that
20 there is nothing to change.

21 MR. HUEBNER: One representation that
22 was made on the record, I just wanted to clarify
23 for the Court again, a collective understanding is
24 that the 4650 is a gross amount, as she said, just
25 to be clear. So, if their paycheck is 5,000 but

1 CEDAR CHEMICAL CORP. and VICKSBURG CHEMICAL CO.
2 their deposit in their bank is only 3100, they
3 can't get the whole thing because the 5,000
4 exceeds the cap. And so they would be scaled down
5 to the cap, and then they would get whatever net
6 amount they are accustomed to as a percentage
7 amount.

8 And we thank the Debtors for making
9 that --

10 THE COURT: We think, I think I would
11 be surprised that there are people in that
12 position.

13 MR. HUEBNER: I think that is right.

14 THE COURT: Okay. I signed the
15 order.

16 MS. POLLACK: Thank you.

17 We have a motion to maintain the
18 prepetition bank accounts.

19 THE COURT: Okay. Any objection?

20 MR. MASUMOTO: There is a
21 modification to the order. They will stamp or
22 program into their software the DIP designation.

23 THE COURT: Okay.

24 MS. POLLACK: We have already done
25 that already.

1 CEDAR CHEMICAL CORP. and VICKSBURG CHEMICAL CO.

2 MR. MASUMOTO: And the order, they
3 are asking for a variance from the 345. We are
4 asking that the 345 waiver not be granted at this
5 point, at least until the Creditors Committee,
6 hopefully, will be formed and has an opportunity
7 to be heard, whether or not a waiver under 345
8 should be granted.

9 THE COURT: When is the
10 organizational meeting?

11 MR. MASUMOTO: I have -- I have set
12 it for next week, Thursday at 2:30 p.m.

13 THE COURT: Why don't we just, you
14 know, put that one on -- that issue on for the
15 return date?

16 MS. POLLACK: If I could clarify what
17 the order states. The order does state that the
18 Debtor-in-Possession designation will go on the
19 check, so it doesn't have to be amended for that.
20 And, again, we set up in our computer system how
21 the checks come out.

22 THE COURT: He is talking about
23 something else.

24 MS. POLLACK: I understand. I am
25 getting to that.

1 CEDAR CHEMICAL CORP. and VICKSBURG CHEMICAL CO.

2 THE COURT: Okay.

3 MS. POLLACK: The order also provides
4 that our time to come into compliance with
5 Section 345 is extended for 45 days from the
6 petition date.

7 Do you have an objection to that?

8 THE COURT: Is there any problem with
9 that?

10 MR. MASUMOTO: Well, again, Your
11 Honor, if the Creditors Committee is appointed
12 next week, Thursday, and they decide that they
13 want comfort of the security under 345, that
14 accounts were collateralized --

15 THE COURT: Why don't we do this,
16 let's make this an interim order? We will adjourn
17 it to the final hearing on the cash collateral
18 application, which will be about two weeks out,
19 three weeks out. At that point, we will have a
20 committee, and we will just remember we will deal
21 with that again.

22 So, why don't we make this an order
23 which terminates -- well, a portion of the order
24 will terminate on the hearing of cash collateral
25 or you will have to make another application,

1 CEDAR CHEMICAL CORP. and VICKSBURG CHEMICAL CO.
2 because I want to hear from the Committee? I
3 assume the bank has -- well, how much money do you
4 have? Is the bank sweeping --

5 MS. POLLACK: They will be sweeping,
6 but there are significant dollars in the account.

7 MR. HUEBNER: The funds are swept
8 every night. I would be surprised if somebody is
9 not comfortable. But the solution of having the
10 waiver be temporary will save the estate the
11 trouble and expense until the Committee can come
12 and say Morgan is good enough for us. That will
13 be fine.

14 THE COURT: What is next?

15 MS. POLLACK: We are also seeking
16 entry of an order establishing procedures for --

17 MR. HUEBNER: Your Honor, I am sorry,
18 there are two other changes to the bank account
19 order that the Debtors -- that has been agreed to.

20 One is where it says that the banks
21 are authorized and directed to clear the checks,
22 it says consistent with the agreements governing
23 the account; so that if there are other reasons,
24 they are not in contempt of Court.

25 THE COURT: Right.

1 CEDAR CHEMICAL CORP. and VICKSBURG CHEMICAL CO.

2 MR. HUEBNER: Secondly, we added a
3 proviso that, in essence, says that the banks are
4 authorized to rely on the representations of the
5 Debtors as to which checks are authorized, either
6 buy order of this Court or by law, so that the
7 banks don't have an independent duty to figure out
8 line item by line item, but rather they are safe
9 if they just follow the advice and direction of
10 the Debtor as to what you have authorized to be
11 paid.

12 THE COURT: Okay.

13 MS. POLLACK: Also, I am seeking the
14 establishment of procedures for interim
15 compensation.

16 THE COURT: Why are you doing it on
17 the first day of the case? You can't make the
18 first application for interim.

19 MS. POLLACK: Excuse me.

20 THE COURT: When are you going to
21 make your first application under the monthly
22 payment procedures?

23 MS. POLLACK: The monthly payment
24 procedures allows payments every 30 days to
25 professionals.

1 CEDAR CHEMICAL CORP. and VICKSBURG CHEMICAL CO.

2 THE COURT: Right.

3 MS. POLLACK: The bank last consented
4 to the procedures, and, essentially, we are
5 dealing with their money here. It is budget
6 items.

7 THE COURT: It is not a First Day
8 order. Every Judge in this district is now taking
9 the position it is not a First Day order. Just
10 make a motion. Again, everybody is going to
11 object --

12 MS. POLLACK: Since the Committee is
13 allowed to make the same motion, procedure, I am
14 sure they --

15 THE COURT: There is no reason it has
16 to be approved. I think --

17 MS. POLLACK: Before I turn to cash
18 collateral, the only other matter is an order
19 scheduling a hearing on a utility motion to deem
20 utility companies adequately protected.

21 We are not asking for any relief in
22 this interim order, other than that they cannot
23 discontinue during -- until the hearing.

24 THE COURT: Why don't we pick a date
25 for the return date of the final cash collateral

1 CEDAR CHEMICAL CORP. and VICKSBURG CHEMICAL CO.
2 hearing and just use that as, just use that as the
3 date?

4 MS. POLLACK: As the cash collateral,
5 before you today is an emergency order that allows
6 a very limited amount of cash collateral for a few
7 days. We were going to ask for an interim hearing
8 no later than Monday or Tuesday of next week, so
9 that we can --

10 THE COURT: I mean, if you need it
11 done, I guess I can get another Judge. Can you
12 wait until Thursday or Friday?

13 MS. POLLACK: We have another payroll
14 on Thursday that we have to fund on Wednesday.

15 THE COURT: How much is the payroll?
16 Is there an objection to giving them permission to
17 use, to fund that second payroll?

18 MS. POLLACK: There is also severance
19 payments that we are making to severed employees
20 for valid business reasons.

21 THE COURT: How much additional money
22 are we talking about here on the \$100,000?

23 MR. HUEBNER: A lot.

24 MR. MASUMOTO: Your Honor, in the
25 discussions that I had was they may need up to 2.7

1 CEDAR CHEMICAL CORP. and VICKSBURG CHEMICAL CO.
2 million by next Wednesday. I think the original
3 intent was that they would ask for an emergency
4 approval for 100,000 today to meet payroll, any
5 outstanding payroll for this prior week. They
6 will need to fund additional payroll as well as
7 payments that would have accrued during the course
8 of the week ending March 8, up to, I think I was
9 told \$2.7 million.

10 MS. POLLACK: To the end of the week
11 following. It is 2.4 at the end of March 8.
12 Another 343 --

13 THE COURT: Today is March 8. How
14 much do you need today?

15 MS. POLLACK: We have agreed to put
16 off the remaining budget payments for this week to
17 next week, after an interim hearing --

18 THE COURT: I thought I saw in your
19 papers that you were looking for an interim
20 hearing about six or seven days out. I mean, if
21 you need it, you need it --

22 MS. POLLACK: I said on or before
23 March 12, I believe.

24 THE COURT: Well, I guess I will have
25 to get another Judge to handle it. You are

1 CEDAR CHEMICAL CORP. and VICKSBURG CHEMICAL CO.
2 telling me it can't wait until Thursday or Friday?

3 MR. HUEBNER: Your Honor, I may
4 actually have to take a minute and introduce you a
5 little bit to the facts of what is going on in the
6 company.

7 THE COURT: Okay. I am just telling
8 you that I am not going to be here. I will not
9 officially be here.

10 MR. HUEBNER: No, of course, but just
11 for you to understand why the need is fairly
12 acute.

13 MS. POLLACK: These Debtors operate
14 chemical plants, fertilizers and chemical plants
15 in the south. There have already been serious
16 threats by a number of their employees, I will use
17 the word "sabotage," to sabotage the safety at the
18 plants.

19 We negotiated long and hard to enable
20 us to maintain the safety, not only the
21 environmental safety, but the safety of the
22 remaining people at the Debtor, and the plants
23 themselves, which are, indeed, possibly, you know,
24 valuable assets.

25 THE COURT: Let me just stop you.

1 CEDAR CHEMICAL CORP. and VICKSBURG CHEMICAL CO.

2 Let's take a recess, and let me see if I can find
3 another Judge to hear you the beginning of next
4 week, and I will come back on the record because I
5 may just send you down there --

6 MS. POLLACK: Thank you.

7 (Short recess.)

8 THE COURT: Please be seated. I have
9 another Judge, but let me ask a question.

10 As I understand it, the bank is
11 willing to agree to \$100,000 now but not the full
12 amount that would be needed through, say, next
13 Thursday?

14 MR. HUEBNER: Your Honor, the
15 mechanics we were asked to follow is that the
16 protections that are contained in the draft of the
17 interim order are not currently really being
18 awarded to us. That awaits the interim hearing as
19 the Debtors were unable to notice any of their
20 creditors for today's hearing.

21 If this Court, U.S. Trustee and
22 Debtors would be interested in entering the
23 interim order today, you know, we would be fine.

24 THE COURT: But you are not going to
25 have enough notice anyway. In other words, I can

1 CEDAR CHEMICAL CORP. and VICKSBURG CHEMICAL CO.
2 get you a hearing Monday morning at 10:00, but
3 what kind of notice are you going to get out
4 between now and then?

5 MR. HUEBNER: That is why 4001
6 contemplates emergency interim relief. I think
7 what the Debtor planned to request was a Tuesday
8 hearing.

9 THE COURT: I just asked him for a
10 Monday. You told me you needed a Monday hearing.

11 MS. POLLACK: By Tuesday.

12 MR. HUEBNER: That is fine. I
13 imagine what the Debtor can do, Your Honor, we
14 certainly would not bother two judges with this,
15 is that they can send it Saturday, read their
16 packages as soon as they get back and maybe make
17 phone calls and tell them they are coming, and we
18 will accept whatever schedule Your Honor has put
19 down for us.

20 THE COURT: You said Monday. If you
21 want Monday, I will give you Monday. I can't
22 count on the service getting to anybody or being
23 adequate under the circumstances. What
24 protections specifically are you concerned about?
25 This is not really the most outrageous cash

1 CEDAR CHEMICAL CORP. and VICKSBURG CHEMICAL CO.

2 collateral order --

3 MR. HUEBNER: No, we think it is
4 right down the middle as an interim order. So, we
5 are not expecting any difficulty, but we don't
6 like them entered without notice, for obvious
7 reasons.

8 MR. MASUMOTO: Your Honor, I had
9 discussions, and quite strangely, I almost took
10 the position that I would concede or allow the
11 full amount because it would not make any
12 difference to the formation of a committee. I
13 mean, if the interim were being held after
14 Thursday, then the committee might have
15 significant input. If it's held before that --

16 THE COURT: As long as the Committee
17 remains free to, for whatever period is ultimately
18 decided on, to challenge the liens, and in the
19 event you didn't, it wasn't your collateral, you
20 don't get adequate protection for it or whatever,
21 what is the big deal? You are getting replacement
22 liens. You are getting a 507(b) priority.

23 I mean, you know, I had a couple of
24 comments on some of this stuff, but my
25 understanding is whenever you lend under an

1 CEDAR CHEMICAL CORP. and VICKSBURG CHEMICAL CO.
2 interim order, you get the protections to the
3 extent you lend.

4 MS. POLLACK: I am very happy to have
5 the interim order entered.

6 MR. HUEBNER: We quite agree. But
7 the mechanics before you is the interim order is
8 not being entered at all. Rather, a three-page
9 order that says they can use 100 is all that is
10 being entered today. That is why we are not
11 comfortable changing 100 to two million.

12 If Your Honor thinks it is
13 appropriate to actually enter the interim order
14 and allow them to borrow what they need until a
15 real hearing can be held, that is fine with us.
16 That is much more typical, which is the interim
17 order is entered, and then after notice, a final
18 order is entered.

19 This process has three orders. And
20 because the first one is really quite sparse,
21 \$100,000 is the appropriate number.

22 THE COURT: Suppose you came in to me
23 and said you needed \$3 million today.

24 MR. HUEBNER: We would -- we would
25 insist on an order that says we have diminution in

1 CEDAR CHEMICAL CORP. and VICKSBURG CHEMICAL CO.
2 value, and we have 507(b) claims exactly as Your
3 Honor --

4 THE COURT: But there is no question,
5 to the extent you have a lien, as long as you are
6 letting them use their cash collateral, whatever
7 else you may or may not be entitled to, you are
8 entitled to a replacement lien to the extent you
9 use cash collateral. And to the extent there is a
10 shortfall at the end between what you had and what
11 you wound up with, you are entitled to a 507(b)
12 priority.

13 So, I don't understand. It seems to
14 be nobody is arguing except you, the lender, for
15 some limited rights.

16 MR. HUEBNER: No. I think we, it
17 sounds to me, respectfully, that we are all in
18 agreement, that the protections in the interim
19 order are what is statutorily appropriate.

20 THE COURT: Look, nothing is going to
21 happen between today and next week, except for the
22 use of money. And do you need any protections
23 beyond the replacement lien and, you know, the
24 priority which anyway to the extent --

25 MR. HUEBNER: I think that is

1 CEDAR CHEMICAL CORP. and VICKSBURG CHEMICAL CO.

2 essentially --

3 THE COURT: So just, why don't you
4 just write it into the interim order, to the
5 extent you use cash collateral, you get a
6 replacement lien, et cetera? That is all you
7 really need over three days.

8 None of these other termination
9 events are going to occur over three days because
10 you will not come back here, or I should say, what
11 I am talking about is preferably to have a hearing
12 next Thursday. None of these other things will
13 happen. I am not worried about the carve-out
14 between now and then. I am not worried about how
15 long the Committee will have to investigate
16 claims.

17 MR. HUEBNER: What Your Honor is
18 essentially contemplating, if I can think about
19 it, is a robust emergency order that simply has
20 the liens and the claims --

21 THE COURT: Now, just tell me what
22 you have to pay that is an emergency. As long as
23 it is an emergency, you know, a true emergency,
24 then there is no issue.

25 We are not going to let them pay

1 CEDAR CHEMICAL CORP. and VICKSBURG CHEMICAL CO.
2 frivolous expenses.

3 MR. HUEBNER: No. Part of the issue,
4 just as you know, is we were sort of dragged
5 cursing and screaming, as I think the Debtors
6 were, themselves, into paying a very substantial
7 sum to employees who essentially threatened to do
8 violence to the plants --

9 THE COURT: Are these current
10 employees?

11 MR. HUEBNER: They will not be as
12 soon as the order is signed authorizing their
13 payment.

14 So, it's a little bit complicated.
15 If it were simply a work, a day payroll, I think
16 it would be smaller amounts and less sensitive.

17 THE COURT: Sounds like you are
18 spending -- you should be spending your money on
19 security.

20 MR. HUEBNER: Maybe the thing to do,
21 Your Honor, is for us to take a few minutes and
22 draft up an interim, interim order.

23 THE COURT: Well, all you have to
24 really do is -- you can do that, I am not saying
25 that, but let's just go through the items that you

1 CEDAR CHEMICAL CORP. and VICKSBURG CHEMICAL CO.

2 think you have to pay by next week.

3 See, you have \$2.8 million spent
4 between the end of this week and the end of next
5 week, and I take it that is the universe of things
6 we are talking about?

7 MS. POLLACK: Correct.

8 THE COURT: So, what doesn't have to
9 be paid between now and next Thursday? I am not
10 suggesting that you incur administrative expenses,
11 but I assume some of these expenses may be
12 accrued. Like, there are a lot of professional
13 fees.

14 MS. POLLACK: The professional fees
15 don't have to be paid, and that is probably it.

16 I don't know, I didn't say for
17 certain whether these medical fees will have to be
18 paid. They may or may not.

19 THE COURT: What is the USAF
20 contract?

21 MS. POLLACK: There is a contract
22 between, with the Air Force. We are on a
23 readiness contract where we produce nitrogen
24 tetraoxide for the Air Force, and they pay us to
25 be ready to deliver.

1 CEDAR CHEMICAL CORP. and VICKSBURG CHEMICAL CO.

2 THE COURT: So, you backed out the,
3 what is it, 37?

4 MR. MASUMOTO: 38.

5 MS. POLLACK: 38.

6 THE COURT: Oh, I am sorry. It's
7 1550, 25, 75.

8 MS. POLLACK: Right, 75.

9 THE COURT: \$75,000.

10 MS. POLLACK: Correct.

11 THE COURT: So, if you backed that
12 out because that is not something that has to be
13 paid on an emergency basis, does anybody have any
14 problem with authorizing the Debtor to spend up to
15 the net amount for the two weeks ending March 15
16 on an emergency basis, to the extent the Debtor
17 uses the bank's cash collateral, and the bank gets
18 a replacement lien?

19 MR. MASUMOTO: No, Your Honor, as
20 long as, again, all of the issues regarding
21 carve-outs, as Your Honor mentioned --

22 MS. POLLACK: Yes, we don't have
23 to --

24 THE COURT: And, actually, I should
25 say I appreciate this. I thought that you were

1 CEDAR CHEMICAL CORP. and VICKSBURG CHEMICAL CO.
2 incorporating the interim order and the emergency
3 order, which is what usually happens. Somebody
4 comes in with, you know, 60 pages of an order that
5 we are supposed to read for two minutes.

6 MR. MASUMOTO: Your Honor, I did have
7 a conversation with Mr. Gund. There is one thing
8 that I did want, and certainly, sometime next
9 week, that with respect to the severance payment,
10 I believe he had a list of the amount of payments.
11 I wanted to receive some assurance that it was
12 disproportionately being awarded. So, it is just
13 a further detail on the severance breakdown.

14 MS. POLLACK: They are being awarded
15 pursuant to the existing policy of the company.
16 The existing policy of the company is not changing
17 at all.

18 THE COURT: Is that your question?

19 MR. MASUMOTO: Yes. I just wanted
20 to -- I wanted to see what the breakdown was, just
21 so that they weren't getting disproportionately --

22 THE COURT: They are still employed.
23 There are administrative claims in the circuit.
24 They have to be paid, I guess.

25 MS. POLLACK: I don't mind giving a

1 CEDAR CHEMICAL CORP. and VICKSBURG CHEMICAL CO.
2 breakdown. I just wanted to, for the record, let
3 it be known that it's pursuant to the existing,
4 for years, contract --

5 THE COURT: Yes, sir?

6 MS. POLLACK: Without checking with
7 Morgan, it's a little bit difficult for me to
8 agree to allow two and a half million dollars of
9 its collateral to leave without a carefully
10 negotiated set of protections. And I guess, what
11 I am wondering is, since, in fact, I believe, they
12 are entirely reasonable, statutory and the like,
13 whether, in fact, it is not appropriate.

14 THE COURT: Let me just go through
15 and see the questions --

16 MR. HUEBNER: Yes, I think I shared
17 the thought that this was actually being entered
18 today. We talked through these couple of issues.
19 We are fully agreed.

20 THE COURT: I'm shocked when you tell
21 me the interim order isn't being entered today or
22 at least incorporated in the emergency. Okay, let
23 me just see. First of all, on page 30 of the
24 interim order, it talks about findings. I am not
25 making any findings today except that you have --

1 CEDAR CHEMICAL CORP. and VICKSBURG CHEMICAL CO.
2 you have entered into the stipulation. Obviously,
3 I am making a conclusion that I have jurisdiction,
4 but these are really representations. I can
5 probably be told at the interim hearing.

6 I mean, there are certain things in
7 here that, by their terms, they will not be
8 resolved until the final hearing, like the issues
9 with the Committee and the carve-out and all those
10 things. They don't have to be in an emergency
11 order. It doesn't really matter what it says in
12 the interim order because it is subject to change.

13 MR. HUEBNER: Agreed.

14 THE COURT: I did note this is really
15 a Committee issue, and it may become an issue in
16 the next week. It says, "The lenders can retain
17 financial advisors at the Debtor's expense."

18 Do you have any plans to retain
19 financial advisors over the next week?

20 MR. HUEBNER: I believe we have a
21 financial advisor in place under the terms of the
22 documents, and that part of the adequate
23 protection package, which I believe is entirely
24 typical, is that the fees and expenses of the
25 agent continue to be paid during the case.

1 CEDAR CHEMICAL CORP. and VICKSBURG CHEMICAL CO.

2 And I think that it is probably just
3 duplicative in that it is sort of referred to
4 twice in the order. I do not believe there are
5 any plans for any additional financial advisors.
6 The agent has a law firm and a financial advisory
7 firm, to my knowledge.

8 MS. POLLACK: And it's a budget item
9 that the lender has approved the payment of.

10 THE COURT: Of course, they approved
11 the payment.

12 Does the U.S. Trustee have any
13 objection?

14 MR. MASUMOTO: Subject to the normal
15 notification, usually --

16 THE COURT: What do they usually do?

17 MR. MASUMOTO: I am sorry?

18 THE COURT: How do you usually handle
19 this? I know we see it all the time.

20 MR. MASUMOTO: Usually upon, prior to
21 the payments, the invoices are copied to the Court
22 and to the U.S. Trustee --

23 THE COURT: Well, I don't want to see
24 them.

25 MR. MASUMOTO: -- and to the

1 CEDAR CHEMICAL CORP. and VICKSBURG CHEMICAL CO.

2 Committee, if the Committee is in place.

3 THE COURT: I know that there is some
4 sort of procedure so that if there is an objection
5 to the reasonableness, there has got to be
6 something there which permits somebody to say you
7 should not be paying this bill.

8 MR. HUEBNER: I have not been
9 involved in any case in which the secured bank
10 group tendered its fees and invoices to either the
11 Committee or the Court.

12 I think that in general it is the
13 Debtor's responsibility to look at the invoices
14 just like they look at the invoices of any other
15 trade vendor.

16 THE COURT: Why don't we do this?
17 Not that much is going to happen between now and
18 next week. I can take another look at it.

19 I guess to the extent they incur
20 expenses between now and then, it is subject to
21 getting this protection.

22 MR. MASUMOTO: That will be fine,
23 Your Honor.

24 THE COURT: Okay. Carve-out issues,
25 I don't think, have to be resolved today, as long

1 CEDAR CHEMICAL CORP. and VICKSBURG CHEMICAL CO.
2 as everybody recognizes that regardless of the
3 fact that it's in this document, it is going to be
4 reviewed at final hearing. Carve-out, post
5 termination carve-out doesn't have to be dealt
6 with today.

7 Go ahead.

8 MR. HUEBNER: The U.S. Trustee would
9 like us to extend while we are on Committee-like
10 topics, the time period.

11 THE COURT: It will be more than 40
12 days.

13 MR. HUEBNER: We already agreed to
14 that. We are happy to put it to 60. Presumably,
15 the Committee, as agreed before the hearing, on
16 day 58, they will either file a complaint or get
17 an extension.

18 THE COURT: Whatever date you put in,
19 make sure it is from the appointment for the
20 Committee counsel, not from the appointment of the
21 Committee.

22 MS. POLLACK: That is in there.

23 THE COURT: I will tell you this now,
24 we don't have to change it now because it doesn't
25 matter, but looking at Paragraph 10, it says that

1 CEDAR CHEMICAL CORP. and VICKSBURG CHEMICAL CO.
2 any order dismissing the case has to have certain
3 provisions in it.

4 If you want to say in the event of a
5 dismissal, these are your rights, that is fine.
6 But once you start telling me what has to be in
7 the dismissal order, you are impinging on what I
8 can do. If I think it is appropriate to simply
9 enter a dismissal order, I will just enter a
10 dismissal order. Unless you want this to imply
11 you lost these rights, I would suggest you change
12 it to simply read in the event of a dismissal, you
13 will have these rights or a dismissal won't affect
14 those rights, okay?

15 There was an issue about limiting the
16 amount that Committee counsel could spend
17 investigating the liens. I will leave that up to
18 the Committee.

19 MR. MASUMOTO: We discussed that,
20 Your Honor.

21 THE COURT: Okay. And those are
22 actually the only questions I had about it. You
23 know, I had some of the carve-out questions, but
24 the Committee will fight that battle.

25 MR. HUEBNER: Well, Your Honor, if

1 CEDAR CHEMICAL CORP. and VICKSBURG CHEMICAL CO.
2 you would like, obviously we will proceed any way
3 you would like. But one thing we could do is on
4 the understanding that we will make the change to
5 Paragraph 10(b) in the final order, and that the
6 Committee will reserve its rights to object,
7 really, to everything in here on a final basis,
8 but is likely to have these on the carve-out, and,
9 perhaps, the easiest thing to do is simply assign
10 the interim order in its current form.

11 THE COURT: Or I can just
12 incorporate, make any lending under the emergency
13 order subject to the terms of the interim order,
14 except that, you know, there is always the final
15 review to some of these things in the interim
16 order anyway.

17 As far as I am concerned, to the
18 extent, you know, you lend the money in the next
19 week, you get rid of the protections, you will
20 get -- this is not going to change. You are going
21 to get whatever liens you get. I notice they did
22 have a lien on all of these recoveries.

23 MR. MASUMOTO: Right, yes, Your
24 Honor.

25 THE COURT: Now, they are all subject

1 CEDAR CHEMICAL CORP. and VICKSBURG CHEMICAL CO.
2 to final review.

3 MR. MASUMOTO: And if I may.

4 THE COURT: What is your creditor
5 issue? Creditors Committee issues should be left
6 until the Committee is appointed. There is no
7 reason to resolve them today.

8 MR. HUEBNER: Your Honor, again --

9 THE COURT: I have never seen a
10 problem.

11 MR. HUEBNER: -- it is an interim
12 order. Obviously, the reason there is interim
13 final, putting aside the emergency, is that in
14 virtually every case before a Committee is formed,
15 these things happen, and, then, the Committee can
16 challenge, frankly, everything here on a final
17 basis to the extent --

18 THE COURT: The problem is I am not
19 going to be here next week. I really don't want
20 to force another Judge to get involved.

21 All right. So why don't you mark up
22 your emergency order to say that any advances are
23 subject to the terms of the proposed interim
24 order?

25 MR. HUEBNER: Would it be

1 CEDAR CHEMICAL CORP. and VICKSBURG CHEMICAL CO.
2 appropriate, would Your Honor mind if we said,
3 "And the lender shall be afforded all of the
4 protections set forth in the interim order"?
5 Those are the buzz words that matter to my client.

6 THE COURT: Okay. The protections
7 like you have to limit carve-outs, things like
8 that, we know what you're getting. I think I know
9 what is important to your clients, but you may
10 think a carve-out is a protection. You know,
11 protections are very broad, which is why I began
12 this whole thing with if you are getting whatever
13 liens he gives you, you are presumably getting the
14 remedies, but you are not going to -- you are
15 getting the right to do with the cash whatever you
16 propose to do with the cash. It is your cash
17 collateral anyway.

18 MR. HUEBNER: I am sorry to be a
19 troublemaker, the Debtor stipulations are, in
20 fact, important to us. While they are not binding
21 on other parties for whatever period is agreed to,
22 knowing before we consent to a lot of our cash
23 collateral leaving, that the Debtors have bound
24 themselves to agree to the amount of our claims
25 and the amount of our liens is entirely typical

1 CEDAR CHEMICAL CORP. and VICKSBURG CHEMICAL CO.
2 and an important piece of protection, which is why
3 I am a little --

4 THE COURT: If we get together on --
5 these are in every order. If we get together on
6 Thursday or Friday or a week from Thursday or
7 Friday, that will not change. The Debtor always
8 gives up the right to protest the prepetition
9 debt.

10 MR. HUEBNER: Okay.

11 THE COURT: That is why the Committee
12 is given the chance to challenge it.

13 MS. POLLACK: We reiterate the
14 stipulations on the record today.

15 THE COURT: The stipulations --

16 MR. HUEBNER: Perhaps we should then
17 say that the lenders are afforded the liens and
18 claims.

19 THE COURT: How about if we say, "To
20 the extent you advance money, the Debtor waives
21 any claim that they owe you at least that much,
22 and you have liens that are at least" --

23 MR. HUEBNER: Well, in the
24 hypothetical --

25 THE COURT: Is that satisfying?

1 CEDAR CHEMICAL CORP. and VICKSBURG CHEMICAL CO.

2 MR. HUEBNER: There could be a
3 substantial diminution in value that is
4 independent of the amounts lent in the next week.
5 Because, remember statutorily the liens and claims
6 are to protect the diminution, not to protect the
7 use of cash collateral alone.

8 THE COURT: You are entitled to that
9 anyway, aren't you?

10 MR. HUEBNER: Yes.

11 THE COURT: I mean, there is no
12 question, you have requested adequate protection.
13 To the extent there is a shortfall at the end, you
14 are entitled to it, right? You get a 507(b)
15 priority for that?

16 MR. HUEBNER: Yes.

17 THE COURT: I just don't know what
18 the concern is. I am trying to make your life
19 easier.

20 MR. MASUMOTO: Your Honor, what we
21 had articulated, I guess at this point I am not
22 sure whether the bank had changed its mind, but
23 with respect to, for example, as Your Honor knows,
24 we are concerned about the 726(b).

25 THE COURT: I hadn't --

1 CEDAR CHEMICAL CORP. and VICKSBURG CHEMICAL CO.

2 MR. MASUMOTO: I know, it is not --

3 THE COURT: You want them to put it
4 in so you became concerned.

5 MR. MASUMOTO: No, but I want to
6 verify that it's not -- we had spoken earlier, and
7 that they would confirm on the record that it's
8 not incorporated in here.

9 THE COURT: You know, look, I don't
10 like to say 2 or \$3 million is not a lot of money,
11 but this isn't a \$90 million debt, it is not
12 really a lot of money when you talk about what is
13 going on in the case.

14 Between now and next week, if they
15 incur \$3 million of lending debt and there is a
16 fight between them and the Chapter 7 Trustee, is
17 it really going to be a material issue?

18 MR. HUEBNER: Just so you know, to
19 help the factual background, some of us have a
20 little bit more of -- this estate is not believed
21 to be worth anywhere near \$90 million. In fact, 2
22 to \$3 million could be a material percentage of
23 this estate.

24 THE COURT: All right. Well, I don't
25 understand them to have a provision in here that

1 CEDAR CHEMICAL CORP. and VICKSBURG CHEMICAL CO.
2 specifically primes the Chapter 7 Trustee. I
3 assume that they could litigate the issue and say
4 that their 507(b) priority primes the Chapter 7
5 Trustee, based on the Bankruptcy Code, but anybody
6 can make that argument.

7 MR. HUEBNER: We had agreed -- I
8 think he was just asking. We agreed before the
9 hearing that 726 was intentionally limited from
10 here, but he just wanted for confirmation, and we
11 repeat, it is not here.

12 THE COURT: Anything else you want to
13 put on the record that is not there?

14 MR. HUEBNER: 506(c) is not there.

15 MR. MASUMOTO: Also, that there is no
16 cross-collateralization intended.

17 THE COURT: Well, they are not
18 lending any money. There is
19 cross-collateralization. You are getting
20 replacement orders. They are not lending money.
21 It doesn't matter.

22 MR. MASUMOTO: No, Your Honor, my
23 concern is that the cash collateral order
24 indicates that they are under-secured.

25 THE COURT: Right.

1 CEDAR CHEMICAL CORP. and VICKSBURG CHEMICAL CO.

2 MR. MASUMOTO: I didn't want them to
3 be able to bootstrap any portion postpetition.

4 THE COURT: I see, but they are
5 getting replacement liens.

6 MR. MASUMOTO: To the extent of
7 replacement liens, there is no problem.

8 MR. HUEBNER: Your Honor, this is --
9 it is confusing --

10 THE COURT: You have the fairest cash
11 collateral application I have ever seen.

12 MR. HUEBNER: Thank you.

13 MR. MASUMOTO: I agree, in fact, that
14 is not --

15 THE COURT: That is not a final
16 finding.

17 MR. HUEBNER: We agreed, frankly,
18 just to clarify that the order means what it says,
19 and that paragraph that is listed provides that
20 the liens and claims are for diminution in value
21 and that is not a gift. It is added --

22 MS. POLLACK: I assume, then, that
23 the cap would come out of the emergency order?

24 THE COURT: The cap for what?

25 MS. POLLACK: The \$100,000 cap.

1 CEDAR CHEMICAL CORP. and VICKSBURG CHEMICAL CO.

2 MR. HUEBNER: Or you would replace
3 it.

4 THE COURT: Replacing it with 2.37.

5 MS. POLLACK: That is fine. I just
6 wanted to confirm.

7 MR. HUEBNER: Just so I can confirm,
8 how are we actually proceeding procedurally? Is
9 it your preference that we add words to the
10 emergency order that say that the lenders are
11 given --

12 THE COURT: They are given the liens
13 and other protections of their claims, so we are
14 carving out all those other issues. We get the
15 liens and protections provided for --

16 MR. MASUMOTO: Interim order.

17 THE COURT: -- the interim order.

18 Now, do you have termination rights?

19 Yes, you can terminate between now and next week.

20 It will be a very short Chapter 11. You won't
21 give Mr. Gund a chance to do his job. He will
22 have to go back to the golf case.

23 MR. HUEBNER: Would it be possible
24 now to set this interim hearing so we could have
25 a --

1 CEDAR CHEMICAL CORP. and VICKSBURG CHEMICAL CO.

2 THE COURT: How about next Thursday,
3 six days? The world won't come to an end in six
4 days.

5 MS. POLLACK: We are here on the
6 organizational meeting anyway.

7 MR. MASUMOTO: Our organizational
8 meeting.

9 THE COURT: When is the
10 organizational meeting.

11 MR. MASUMOTO: It is at 2:30 in the
12 afternoon.

13 THE COURT: How long do you think
14 that will take?

15 MR. MASUMOTO: It depends on who
16 shows up. Generally an hour and a half to two
17 hours, max.

18 THE COURT: Then let's do it before.
19 Let's do it at -- why don't we do it at 2:00? It
20 will not take very long. They won't start without
21 you.

22 MS. POLLACK: And will we also put
23 the utility motion for then as well?

24 THE COURT: I will put the utility
25 motion on for the final hearing.

1 CEDAR CHEMICAL CORP. and VICKSBURG CHEMICAL CO.

2 When are you going to serve notice?

3 MS. POLLACK: I can serve it today.

4 THE COURT: You can serve the parties
5 today?

6 MS. POLLACK: Yes.

7 THE COURT: How many, creditors --

8 MS. POLLACK: Twenty largest.

9 THE COURT: Don't you have to serve
10 all the creditors in the --

11 MS. POLLACK: We could eliminate, as
12 the Court likes.

13 I think there are very good reasons
14 to limit it in this case. There are hundreds of
15 creditors.

16 THE COURT: What is the debt of the
17 20 largest creditor?

18 MR. MASUMOTO: 1.8 --

19 MS. POLLACK: No, \$63,000.

20 THE COURT: So, let's assume, and the
21 final hearing will be, then, 15 days from then,
22 the 23rd. Why don't we make it March -- I have
23 got a lot of stuff on the calendar -- the 26th?
24 Do you want to do it on the 27th?

25 Let me just say, though --

1 CEDAR CHEMICAL CORP. and VICKSBURG CHEMICAL CO.

2 MS. POLLACK: If it's early in the
3 day, because that is a holiday.

4 THE COURT: Yes, I know. I will get
5 you out of here.

6 MR. HUEBNER: What holiday is it?

7 THE COURT: Passover starts. But the
8 sun goes down well after 10:00, unless you are
9 telling me you will be somewhere, or you have to
10 travel somewhere and start early. I can put you
11 on Tuesday, and it is just what I am saying is I
12 have a big calendar. It may just be pretrial
13 conferences.

14 Do you want to go on Tuesday?

15 MR. HUEBNER: Final cash collateral.

16 THE COURT: The final hearing, and
17 the cash collateral will be the hearing on the
18 utility motion.

19 MR. HUEBNER: 10:00 a.m.?

20 THE COURT: Tuesday at 10:00 a.m.,
21 that is fine.

22 MR. HUEBNER: I think that would be
23 okay.

24 MR. MASUMOTO: That is the 26th?

25 THE COURT: Yes. Why don't you make

1 CEDAR CHEMICAL CORP. and VICKSBURG CHEMICAL CO.

2 it 10:30, because I have all of these other --

3 MR. HUEBNER: The 26th at 10:00 a.m?

4 MS. POLLACK: 10:30.

5 THE COURT: So mark that into the
6 order, and put the utility motion on for then.
7 You can put your monthly fee order for then also.

8 MS. POLLACK: Okay.

9 THE COURT: Obviously, the bank has
10 got the money in the budget --

11 MS. POLLACK: When would the
12 objections for various motions be due? I assume
13 that the interim will be due that morning?

14 THE COURT: The interim they can do
15 at the hearing.

16 MS. POLLACK: At hearing, right.

17 THE COURT: You will not get any
18 objection. I guess we will say Friday the 22nd at
19 5:00. Why don't we do that? You are going to
20 serve it today, right? That will give everybody
21 enough time.

22 You know, I will make it the Monday
23 at noon, the 25th at noon. That will give
24 everybody time.

25 So, why don't you mark up --

1 CEDAR CHEMICAL CORP. and VICKSBURG CHEMICAL CO.

2 MS. POLLACK: I will serve the cash
3 collateral today.

4 THE COURT: I will authorize you to
5 serve the 20 largest creditors, the U.S. Trustee.
6 I will so order the record. You don't need a
7 separate order for that.

8 MS. POLLACK: It is in the order.
9 The utility motion, I will serve
10 today as well.

11 THE COURT: Fine.

12 MS. POLLACK: And the fee order, I
13 will just send out as a regular -- as a notice of
14 presentment.

15 THE COURT: Pardon?

16 MS. POLLACK: Do the interim
17 compensation as a notice of presentment.

18 THE COURT: Well, if you are going to
19 serve all of these things, why don't you just
20 serve it along with the other stuff today?

21 MS. POLLACK: I don't know that I
22 will have time to actually draft a notice of
23 hearing. Well, that is not on until the 26th
24 anyway.

25 THE COURT: Yes, I don't anticipate a

1 CEDAR CHEMICAL CORP. and VICKSBURG CHEMICAL CO.
2 problem as long as it is in the budget. You would
3 be surprised with the cases where I get the
4 monthly fee applications and they are not paying
5 their rent.

6 MS. POLLACK: May I serve that order
7 on the top 20 as well?

8 THE COURT: Yes.

9 All right, so what do you have to
10 give me now before you leave today?

11 MS. POLLACK: I will hand these up,
12 if I may?

13 THE COURT: The date to the hearing,
14 you will fill in the dates.

15 MS. POLLACK: Oh, I am sorry.

16 THE COURT: That is okay.

17 Your retention order should really
18 say that you are going to apply by notice of
19 presentment. It should not say this order became
20 final or anything like that. Just imply you are
21 getting another order. This is kind of a bridge
22 order.

23 MS. POLLACK: We set it up so that it
24 automatically becomes final so we didn't have to
25 make an application.

1 CEDAR CHEMICAL CORP. and VICKSBURG CHEMICAL CO.

2 THE COURT: You are saying you will
3 file a notice of presentment.

4 It says that unless timely objections
5 are received, this order will become final after
6 30 days. The Debtor will apply for such relief by
7 notice of presentment. That usually entails an
8 application.

9 MS. POLLACK: Right. May I approach
10 and cross that out?

11 THE COURT: You can do that, sure.

12 MS. POLLACK: Thank you.

13 THE COURT: If you want to e-mail
14 final orders down and then make up the disk --

15 MS. POLLACK: Thank you.

16 THE COURT: Why did you request to
17 retain a structuring expert under 363 rather than
18 327?

19 MR. MASUMOTO: Your Honor, that is
20 the Family Golf issue. We wanted the opportunity
21 to explore some of the reporting requirements with
22 Mr. Gund.

23 THE COURT: I think you should always
24 use 363. I don't know why you used 327.

25 MS. POLLACK: Thank you.

1 CEDAR CHEMICAL CORP. and VICKSBURG CHEMICAL CO.

2 THE COURT: You have the same change
3 in that one.

4 Okay. I have now returned every
5 order that you gave to me which was ready to be
6 signed.

7 MS. POLLACK: Can we knock on
8 chambers?

9 THE COURT: You can E-mail them down
10 to my clerk so the Judge can sign them. It is no
11 big deal. Or they can wait until Thursday.
12 Nobody is going to say that because the order
13 wasn't signed until Thursday you won't get paid.

14 MS. POLLACK: The one order which I
15 do need which I handed up is the bank account
16 order because I will need to get that to the
17 banks. I think that was signed already.

18 THE COURT: Oh, I think I signed it.

19 MS. POLLACK: Yes, if I could just
20 have a copy of that.

21 THE COURT: You know what, you should
22 drop off this afternoon the cash collateral.

23 MS. POLLACK: We will stay and revise
24 it.

25 THE COURT: I signed the

1 CEDAR CHEMICAL CORP. and VICKSBURG CHEMICAL CO.

2 administration, the cash management order.

3 MS. POLLACK: The wage order, I just
4 need a copy to send to the banks.

5 THE COURT: Okay.

6 I don't know whether these things are
7 going to be on the electronic docket, okay.

8 Well, thank you very much.

9 MR. MASUMOTO: Thank you.

10 MS. POLLACK: Thank you, Your Honor.

11 MR. HUEBNER: One more second. I
12 drafted it, I just wanted to make sure it sounded
13 okay to all parties to avoid confusion.

14 THE COURT: Okay.

15 MR. HUEBNER: After the language in
16 the stip that says they can pay up to X, and we'll
17 change the amount, it will say, "Ordered that the
18 liens and protections of the claims of the
19 prepetition secured lenders provided for in the
20 proposed interim order are hereby approved and
21 incorporated by reference as set forth herein."

22 THE COURT: To the extent any
23 advances under the order --

24 MR. HUEBNER: I thought we had agreed
25 that due to the diminution possibility,

1 CEDAR CHEMICAL CORP. and VICKSBURG CHEMICAL CO.
2 independent of advances, that the liens and claims
3 would get protected full board. So, that if there
4 is another diminution in the next week, we are
5 protected of that.

6 THE COURT: Okay. I guess you are
7 right.

8 Any objection to that?

9 MR. MASUMOTO: No.

10 THE COURT: All right.

11 MS. POLLACK: We will knock on
12 chambers, so that the utility one and cash
13 collateral, we can serve them.

14 THE COURT: Okay.

15 MR. HUEBNER: Thank you for your
16 patience, Your Honor.

17 THE COURT: Okay

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C E R T I F I C A T E

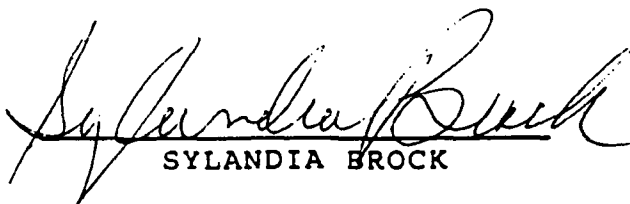
STATE OF NEW YORK)
) ss.:
COUNTY OF NEW YORK)

I, SYLANDIA BROCK, a Shorthand
Reporter and Notary Public within and for
the State of New York, do hereby certify:

That I reported the proceedings in
the within entitled matter, and that the
within transcript is a true record of such
proceedings.

I further certify that I am not
related, by blood or marriage, to any of
the parties in this matter and that I am
in no way interested in the outcome of this
matter.

IN WITNESS WHEREOF, I have hereunto
set my hand this 28th day of march.
2002.


SYLANDIA BROCK

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

---X

In re: Chapter 11
CEDAR CHEMICAL CORPORATION, Case No. 02-11039 (SMB)
Debtor.

---X

In re: Chapter 11
VICKSBURG CHEMICAL COMPANY, Case No. 02-11040 (SMB)
Debtor.

---X

**INTERIM ORDER (1) AUTHORIZING USE OF CASH
COLLATERAL, (2) PROVIDING FOR ADEQUATE PROTECTION,
(3) SCHEDULING FINAL HEARING, AND
(4) GRANTING RELATED RELIEF**

UPON THE MOTION (the "**Motion**"), dated March 8, 2002 of Cedar Chemical Corporation (the "**Borrower**") and Vicksburg Chemical Company ("**Vicksburg**"), each as Debtor and Debtor-in-Possession (together, the "**Debtors**"), pursuant to Sections 105, 361, and 363 of the United States Bankruptcy Code, 11 U.S.C. §§101, *et seq.* (the "**Code**"), and Rule 4001 of the Federal Rules of Bankruptcy Procedure (the "**Bankruptcy Rules**") seeking, among other things:

(1) to authorize the use of cash collateral, pursuant to section 363 of the Code and subject to the terms and conditions set forth herein, that secures obligations owing to the lenders (the "**Pre-Petition Secured Lenders**") under or in connection with that

certain Credit Agreement, dated as of November 3, 1995 (as heretofore amended, supplemented or otherwise modified, the "**Pre-Petition Credit Agreement**"), among the Borrower, the lenders listed therein, and JP Morgan Chase Bank (formerly known as The Chase Manhattan Bank) ("**Morgan**"), as administrative agent for the Pre-Petition Secured Lenders (in such capacity, the "**Agent**");

(2) to grant adequate protection to the Pre-Petition Secured Lenders and the Agent in respect of the liens securing the Pre-Petition Credit Agreement and the Subsidiary Guarantee dated as of November 5, 1995 (the "**Subsidiary Guarantee Agreement**") entered into by Vicksburg and each other Subsidiary of the Borrower listed on Schedule I thereto (each, a "**Guarantor**") (the Pre-Petition Credit Agreement, the Subsidiary Guarantee Agreement and the related security agreements, mortgages, deeds of trust, security documents and other related loan documentation and hedging agreements being collectively referred to herein as the "**Existing Agreements**"); and

(3) that this Court schedule a final hearing (the "**Final Hearing**") to be held within 30 days of the entry of the Interim Order to consider entry of a final order authorizing the relief sought in this Interim Order; and

DUE NOTICE of the Motion, the relief requested therein and the Interim Hearing thereon having been given by the Debtors to the twenty largest unsecured creditors of each of the Debtors, the Agent, the Pre-Petition Secured Lenders and the United States Trustee for the Southern District of New York; and

THE INTERIM HEARING having been held on March 14, 2002; and

UPON THE RECORD made by the Debtors at the Interim Hearing, and after due deliberation and consideration and sufficient cause appearing therefor;

IT IS FOUND, DETERMINED, ORDERED AND ADJUDGED, that:

1. *Jurisdiction.* These are "core proceedings", and this Court has jurisdiction over the parties and property affected hereby pursuant to 28 U.S.C. §§157(b) and 1334.

2. *Notice.* The notice given by the Debtors of the Motion and the Interim Hearing constitutes due and sufficient notice of the Motion and the Interim Hearing.

3. *Debtors' Stipulations.* The Debtors hereby stipulate and agree that:

(a) (i) in accordance with the terms of the Existing Agreements and as of the date of the filing of the Debtors' chapter 11 petitions herein (the "**Petition Date**"), the Debtors were truly and justly indebted and liable to the Pre-Petition Secured Lenders, without defense, counterclaim or offset of any kind, in the aggregate principal amount of approximately \$83,240,121.46 in respect of loans made by the Pre-Petition Secured Lenders pursuant to the Existing Agreements, plus interest thereon and fees and expenses incurred in connection therewith as provided in the Existing Agreements, and certain amounts owing under interest rate or other hedging agreements (collectively, including all other obligations of the Guarantors under the Existing Agreements, the "**Pre-Petition Debt**"), and Pre-Petition Debt and the Existing Agreements constitute valid, binding non-voidable obligations of the Borrower and Guarantors enforceable in accordance with their terms; (ii) no portion of the Pre-Petition Debt is subject to avoidance, recharacterization or subordination pursuant to the Code or applicable nonbankruptcy law and (iii) the Debtors do not have, and hereby forever release, any claims, counterclaims, causes of action, defenses or offset rights, whether arising under the Code or otherwise,

against the Pre-Petition Secured Lenders, the Agent and their respective affiliates, agents, officers, directors, employees and attorneys.

(b) the liens and security interests granted to the Agent pursuant to the Existing Agreements relate to substantially all of the assets of the Debtors and are valid, perfected, enforceable, non-voidable first-priority liens and security interests in the personal and real property described in the Existing Agreements (the "**Pre-Petition Collateral**") subject only to liens permitted under the Existing Agreements;

(c) the aggregate amount of the Pre-Petition Debt exceeds the aggregate amount of the Pre-Petition Collateral; and

(d) In order to permit the orderly administration of these proceedings, the Debtors require the consent of the Pre-Petition Secured Lenders to use cash collateral.

4. *The Cash Collateral.* All funds of the Debtors (including any funds of the Debtors on deposit at the Pre-Petition Secured Lenders or at any other institution) as of the Petition Date are cash collateral of the Pre-Petition Secured Lenders within the meaning of Section 363(a) of the Code. In addition, all cash proceeds of Pre-Petition Collateral received after the Petition Date are cash collateral of the Pre-Petition Secured Lenders within the meaning of Section 363(a) of the Code. Furthermore, to the extent, as of the Petition Date, any funds were on deposit with the Pre-Petition Secured Lenders, such funds were subject to rights of set-off. By virtue of such set-off rights, such funds are subject to a lien in favor of such Pre-Petition Secured Lenders pursuant to Sections 506(a) and 553 of the Code. The Pre-Petition Secured Lenders are obligated, to the extent provided for in the Existing Agreements, to share the benefit of such liens with the other Pre-Petition Secured Lenders party to such Existing Agreements based upon their respective *pro rata* shares of the obligations under such Existing

Agreements. All such cash collateral (including without limitation, funds subject to such setoff rights) are referred to herein as "**Cash Collateral**."

5. *Use of Cash Collateral.*

(a) Establishment of Expense Accounts. An expense account shall be established with the Agent in the name of the Borrower for purposes of maintaining Cash Collateral authorized to be used by the Debtors in accordance with and subject to the terms and conditions of this Order (the "**Morgan Expense Account**"). At the Agent's sole discretion, the Debtors may continue to maintain their existing disbursement accounts at AmSouth Bank, provided that such accounts are at all times maintained in a manner consistent with this paragraph 5 (the "**AmSouth Expense Accounts**", and together with the Morgan Expense Account, the "**Expense Accounts**").

(b) Establishment of Distribution Account. A "**Distribution Account**" shall be established with the Agent in its own name for purposes of effecting the distribution of Cash Collateral pursuant to paragraph 5(f) below.

(c) Deposit of Cash in Morgan Expense Account. Subject to disbursements to the AmSouth Expense Accounts and the Distribution Account as hereinafter provided, (1) all cash held by the Debtors on the Petition Date shall be deposited in the Morgan Expense Account, and (2) after the Petition Date, all cash received by the Debtors shall be deposited in the Morgan Expense Account as follows:

(i) The Debtors will continue to use lock-box accounts at AmSouth Bank existing on the Petition Date (the "**Lock-Box Accounts**") in the same manner such Lock-Box Accounts were utilized pre-petition. At the end of each business day, the entire cash balance of each Lock-Box Account (the "**Lock-Box Receipts**") shall be deposited in the Morgan Expense Account.

(ii) All cash received by the Debtors (other than Lock-Box Receipts), whether in or outside the ordinary course of business (including, without limitation, collections on receivables, the proceeds of sales of inventory, fixed assets and investments) and all investments of the funds of the Debtors, shall be directly deposited and held in the Morgan Expense Account.

(iii) With the consent of the Agent, the Debtors shall be permitted to retain in, or transfer funds from the Morgan Expense Account to, the AmSouth Expense Accounts, provided that such funds are used solely for the purpose of paying expenses permitted to be paid by the Debtors from the Expense Accounts pursuant to paragraph 5(e) below.

(d) Transfer of Cash Collateral from the Expense Accounts to the Distribution Account. No later than 10:00 A.M. on the first business day of each week (i) the Debtors shall deliver to the Agent a certificate specifying the unpaid budget items for the period of time remaining in the Budget, and (ii) to the extent cash in the Expense Accounts exceeds 110% of the amount necessary to satisfy such items, such excess amount shall be transferred to the Distribution Account (the aggregate cash balance of the Expense Accounts and Distribution Account being "**Debtor Cash**").

(e) Use of Cash Collateral in Expense Accounts. Until the earlier of the Termination Date (as defined below) or the date of the Final Hearing on the Motion, funds in the Expense Accounts may be used in the ordinary course of business by the Debtors substantially in accordance with a four week expense budget consented to by the Agent in its sole discretion (the "**Budget**") (the initial Budget is attached as Exhibit A to this Order). After such date, funds in the Expense Accounts shall not be used by the Debtors without consent of the Agent or further order of the Court. "**Termination Date**" means, unless extended with the written consent of the Agent (to be granted in its sole discretion), the earliest to occur of (i) May 15, 2002, (ii) the date of the Final Hearing, (iii) conversion to chapter 7 or

dismissal of these chapter 11 proceedings in respect of any Debtor, (iv) the appointment of a trustee or examiner with expanded powers for any Debtor or (v) five (5) business days after Debtors' receipt of notice from the Agent that the Pre-Petition Secured Lenders no longer consent to the use of cash collateral by the Debtors, provided, however, that during such five (5) business day period, the Debtors shall in no event use in excess of \$50,000.00 of Cash Collateral.

(f) Disbursement of Funds in Distribution Account. Funds deposited in the Distribution Account prior to the Termination Date shall promptly be distributed to the Pre-Petition Lenders to be applied in accordance with the terms of the Existing Agreements in satisfaction of the claims of the Pre-Petition Secured Lenders under the Existing Agreements. Promptly after making any such payment, the Agent shall advise the Debtors of the amounts so distributed to each of the Pre-Petition Secured Lenders.

6. *Adequate Protection.* The Pre-Petition Secured Lenders are entitled, pursuant to Sections 361 and 363(e) of the Code, to adequate protection of their interest in the Pre-Petition Collateral, including the Cash Collateral, for any diminution in value of the Pre-Petition Secured Lenders' interests in the Pre-Petition Collateral, including, without limitation, any such diminution resulting from the use by the Debtors of Cash Collateral and any other Pre-Petition Collateral, and the imposition of the automatic stay pursuant to Section 362 of the Code.

(a) Adequate Protection Liens. As adequate protection for any diminution in the value of the Pre-Petition Collateral, effective upon the date of this Order and without the necessity of the execution by the Debtors of mortgages, security agreements or otherwise, the following security interests and liens are hereby granted to the Pre-Petition Secured Lenders to the extent of any diminution in value of the Pre-Petition Collateral (all property identified below in this paragraph (a)

being collectively referred to as the “**Collateral**,” and such security interests and liens being collectively referred to as the “**Liens**”), subject only to (a) valid and perfected non-voidable liens in existence on the Petition Date and (b) valid liens in existence on the Petition Date that are perfected subsequent to the Petition Date as permitted by Section 546(b) of the Code, and (c) applicable provisions of the Carve-Out (as defined below):

(i) a perfected first priority senior security interest in and lien upon all Debtor Cash,
and

(ii) a perfected first priority security interest in and lien upon all other pre- and post-petition property of the Debtors, whether existing on the Petition Date or thereafter acquired, including, without limitation, accounts receivable, contracts, documents, equipment, general intangibles, instruments, inventory, interests in leaseholds, real property and the capital stock of the subsidiaries of the Debtors and the proceeds of all of the foregoing, excluding the Debtor's claims and causes of actions under sections 502(d), 544, 545, 547, 548, 549, 550 or 551 of the Code, or any other avoidance actions under the Code (collectively, “**Avoidance Actions**”), but including any proceeds or property recovered, unencumbered or otherwise the subject of successful Avoidance Actions.

(b) Section 507(b) Claim. The Agent and the Pre-Petition Secured Lenders are hereby granted, subject to the payment of the Carve-Out (as defined below), a superpriority claim as provided for in Section 507(b) of the Code to the extent of any diminution in value of the Pre-Petition Collateral.

(c) Fees and Expenses. In addition to the payments from the Distribution Account referred to above, the Agents and the Pre-Petition Secured Lenders shall receive (a) cash payments in the amount of all accrued and unpaid letter of credit fees, if any, and interest on the Pre-Petition Debt at the rate provided for in the Existing Agreements, and all other accrued and unpaid fees and disbursements (including, but not limited to, fees owed to the Agent) incurred prior to the Petition Date owing under the Existing Agreements, and (b) current cash payments from the Debtors (i) of all fees and expenses payable to the Agent and otherwise under the Existing Agreements, including but not limited to, the reasonable fees and disbursements of counsel and financial consultants for the Agent and (ii) on the first business day of each month, all accrued but unpaid letter of credit fees under the Existing Agreements. All amounts payable under this paragraph shall be deemed included in the Budget and payable as allowed Budget items.

(d) Preservation and Monitoring of Collateral. The Debtors shall take all steps reasonably necessary to protect and maintain the value of the Pre-Petition Collateral (including, without limitation, the maintenance of all necessary insurance), and the Pre-Petition Secured Lenders shall be permitted to retain expert consultants and financial advisors at the expense of the Debtors, which consultants and advisors shall be given reasonable access for purposes of monitoring the business of the Debtors and their subsidiaries, the value of the Pre-Petition Collateral and the compliance by the Debtors with the provisions of this Order. In addition, the Debtors shall supply to the Agent and the Pre-Petition Secured Lenders all financial and other information regarding the business, assets, liabilities and sources and uses of cash of the Debtors as may be reasonably requested by any of them.

7. *Priority of Obligations Hereunder; Carve Out.*

(a) Pursuant to Section 507(b) of the Code, all of the Debtors' obligations arising under this Order shall constitute obligations of the Debtors with priority over any and all administrative expenses or other claims under Sections 105, 326, 328 or 507(a) of the Code, subject only to the payment of the Carve Out (as hereinafter defined).

(b) For purposes hereof, the "**Carve Out**" means (i) all fees required to be paid to the Clerk of the Bankruptcy Court and to the Office of the United States Trustee under Section 1930(a) of title 28 of the United States Code and (ii) an amount not exceeding \$250,000.00 in the aggregate, to pay fees and expenses of the Debtors' professionals (excluding any fees and expenses of Marotta, Gund, Budd & Dzera Management LLC which shall be paid pursuant to the Budget), and an amount not exceeding \$250,000.00 in the aggregate, to pay fees and expenses of any statutory committees appointed in the Cases (each, a "**Committee**") (the "**Committee Carve Out**"), which amounts may be used after the Termination Date, in respect of (A) allowances of compensation for services rendered or reimbursement of expenses awarded by the Bankruptcy Court to the Debtors' or any Committee's professionals and (B) in the case of the Committee Carve Out, the reimbursement of expenses allowed by the Bankruptcy Court incurred by Committee members in the performance of their duties (but excluding fees and expenses of third-party professionals employed by such members); *provided, however*, that the dollar limitation in this paragraph on fees and disbursements shall not be reduced by the amount of any compensation or reimbursement of expenses paid prior to the Termination Date, and *provided, further*, that nothing herein shall be construed to impair the ability of any party to object to any of the fees, expenses, reimbursement or compensation described in clauses (A) and (B) above.

8. *Reservation of Rights of Pre-Petition Secured Lenders.* The Agent and the Pre-Petition Secured Lenders may request further or different adequate protection, and the Debtors or

any other party may contest any such request. Moreover, nothing contained in this Order (including, without limitation, the authorization of the use of Cash Collateral) shall impair or modify the right of any Pre-Petition Secured Lender that is a party to a swap agreement or other eligible financial contract with a Debtor to assert rights of set-off or other rights with respect thereto (or the right of the Debtors to contest such assertions).

9. *Perfection of Adequate Protection Liens.* The Agent and the Pre-Petition Secured Lenders that have been granted security interests and liens hereunder shall not be required to file or record financing statements, mortgages, notices of lien or similar instruments in any jurisdiction or take any other action in order to validate and perfect the security interests and liens granted to them pursuant to this Order. If the Agent on behalf of the Pre-Petition Secured Lenders shall, in its sole discretion, choose to file such financing statements, mortgages, notices of lien or similar instruments or otherwise confirm perfection of such security interests and liens, the liens and security interests granted herein shall be deemed perfected at the time and on the date of entry of this Order. Upon the request of the Agent, each of the Pre-Petition Secured Lenders and the Agent, without any further consent of any party, is authorized to take, execute and deliver such instruments (in each case without representation or warranty of any kind) to enable the Agent to further perfect, preserve and enforce the security interests and liens granted to the Agent and the Pre-Petition Lenders by this Order.

10. *Preservation of Rights Granted Under the Order.*

(a) No claims or liens having a priority superior to or *pari passu* with those granted by this Order to the Agent and the Pre-Petition Secured Lenders, respectively, shall be granted while any Pre-Petition Debt is outstanding, and the security interests and liens granted to the Agent and the Pre-Petition Secured Lenders hereunder shall not be (i) subject to any lien or security interest that is

avoided and preserved for the benefit of the Debtors' estates under Section 551 of the Code or (ii) subordinated to or made *pari passu* with any other lien or security interest under Section 364(d) of the Code or otherwise.

(b) Other than with the written consent of the Agent and the Pre-Petition Secured Lenders, the Debtors shall not seek an order dismissing any of the Cases. If an order dismissing any of the Cases under Section 1112 of the Code or otherwise is at any time entered (x) the liens, security interests and claims granted to the Agent and the Pre-Petition Secured Lenders pursuant to this Order shall continue in full force and effect and shall maintain their priorities as provided in this Order until all obligations in respect thereof shall have been paid and satisfied in full (and that such security interests, liens and claims shall, notwithstanding such dismissal, remain binding on all parties in interest) and (y) this Court shall retain jurisdiction, notwithstanding such dismissal, for the purposes of enforcing the claims, liens and security interests referred to in (x) above.

(c) If any or all of the provisions of this Order are hereafter reversed, modified, vacated or stayed, such reversal, stay, modification or vacation shall not affect the validity and enforceability of any lien or priority authorized or created hereby. Notwithstanding any such reversal, stay, modification or vacation, any use of Cash Collateral prior to written notice to the Agent of the effective date of such reversal, stay, modification or vacation shall be governed in all respects by this Order, as applicable, and the Pre-Petition Secured Lenders shall be entitled to all the rights, remedies, privileges and benefits granted in this Order with respect to all uses of Cash Collateral.

(d) The obligations of the Debtors under this Order shall not be discharged by the entry of an order confirming a plan of reorganization in any of the Cases and, pursuant to Section 1141(d)(4) of the Code, the Debtors have waived such discharge.

11. *Limitation on Use of Collateral.* Notwithstanding anything herein to the contrary, no Cash Collateral, Collateral or the Carve Out may be used to object, contest or raise any defense to, the validity, perfection, priority, extent or enforceability of the Pre-Petition Debt or the liens securing the Pre-Petition Debt, or to assert any claims or causes of action against the Pre-Petition Secured Lenders or the Agent, *provided, however*, that an amount not to exceed \$25,000 in the aggregate may be utilized to pay allowed expenses of the Official Committee of Unsecured Creditors (the **"Creditors' Committee"**) appointed in these cases incurred in connection with the investigation or evaluation of the validity, perfection, priority, extent or enforceability of the Pre-Petition Debt or the liens securing the Pre-Petition Debt (such amount being deducted from the Committee Carve Out if paid after the Termination Date).

12. *Parties in Interest Bound.* The admissions and stipulations contained in paragraph 3 shall be binding upon the Debtors under all circumstances, and shall be binding upon all other parties in interest, including without limitation, the Creditors' Committee or any trustee, unless (a) such party in interest (including the Creditors' Committee) has properly filed an adversary proceeding or contested matter (subject to the limitations set forth in paragraph 11) challenging the validity, enforceability or priority of the Pre-Petition Debt or the liens on the Pre-Petition Collateral in respect thereof, or otherwise asserting any claims or causes of action against the Agent or the Pre-Petition Secured Lenders on behalf of the Debtors' estates, no later than the date that is 60 days after the date that the Creditors' Committee has retained counsel, and (b) the Court rules in favor of the plaintiff in any such timely and properly filed adversary proceeding or contested matter and such ruling becomes a final order. If no such adversary proceeding or contested matter is commenced as of such date, the Pre-Petition Debt

shall constitute allowed claims, not subject to subordination and otherwise unavoidable, for all purposes in these chapter 11 cases and any subsequent chapter 7 cases, the liens securing the Pre-Petition Debt on the Pre-Petition Collateral shall be deemed legal, valid, binding, perfected, not subject to defense, counterclaim, offset of any kind, subordination and otherwise unavoidable, and the Agent, the Pre-Petition Secured Lenders, the Pre-Petition Debt and the liens on the Pre-Petition Collateral securing the Pre-Petition Debt shall not be subject to any other or further challenge by any party in interest seeking to exercise the rights of the Debtors' estates, including without limitation, any successor thereto. If any such adversary proceeding or contested matter is timely commenced as of such date, the admissions contained in paragraph 3 shall nonetheless remain binding and preclusive (as provided in this paragraph) except to the extent that such acknowledgments and agreements expressly and successfully challenged in such adversary proceeding or contested matter.

13. *Successors and Assigns.* The provisions of this Order shall be binding upon the Agent, the Pre-Petition Secured Lenders and the Debtors and their respective successors and assigns (including any chapter 7 or chapter 11 trustee hereinafter appointed or elected for the estate of any of the Debtors) and inure to the benefit of the Agent, the Pre-Petition Secured Lenders and the Debtors and (except with respect to any trustee hereinafter appointed or elected for the estate of any of the Debtors) their respective successors and assigns.

14. *Financial Reporting.* The Debtors shall furnish the Agent such financial information about the Debtors and their subsidiaries as the Agent may reasonably request including, but not limited to:

(a) On or before 12:00 P.M. (New York City time) on Thursday of each week (or if

such day is not a business day the next preceding business day):

(i) a detailed, line item statement of actual cash receipts and cash disbursements for the prior week, in a form satisfactory to the Agent (the “**Weekly Actual Cash Statement**”);

(ii) a detailed statement setting forth and explaining, on a line item basis, any material deviations in the Weekly Actual Cash Statement from the Budget; and

(iii) a report reflecting the book value of the Debtors’ inventory and receivables.

(b) Any financial information and pleadings filed with the Bankruptcy Court. Such information and pleadings shall be served upon the Agent and its counsel contemporaneously with their filing.

(c) All other financial information and reports prepared by the Debtors in the ordinary course of their businesses, including as required by the Bankruptcy Court or by the Operating Guidelines and Reporting Requirements of the United States Trustee's Office.

(d) All financial statements required by the Pre-Petition Credit Agreement, including, without limitation, the financial statements of Trans-Resources, Inc. and its subsidiaries.

(e) Not later than the 20th day of each month, (i) a proposed Budget for the next calendar month, and (ii) a cash disbursements and receipts forecast for the estimated balance of the chapter 11 cases.

15. *Final Hearing.* The Final Hearing on the Motion is scheduled for March 26, 2002 at 10:30 A.M. before this Court.

16. *Notices.* The Interim Hearing was held pursuant to the authorization of Bankruptcy Rule 4001(b)(2), whereby notice of the Motion and the Interim Hearing was given to the United States Trustee, the Debtors' twenty (20) largest creditors, as listed in the Debtors' petition and the Agent. Debtors shall promptly mail copies of this Order to the parties having been given notice of the Interim Hearing and to any other party which has filed a request for notices with this Court and to any Committee after the same has been appointed, or Committee counsel, if the same shall have been appointed. Any party in interest objecting to the relief sought at the Final Hearing (which shall include a waiver of Section 506(c) of the Code) shall serve and file written objections; which objections shall be served upon (i) attorneys for the Debtors: Angel & Frankel, P.C., 460 Park Avenue, New York, New York 10022-1906, Attn: Joshua J. Angel, Esq. and Bonnie L. Pollack, Esq.; (ii) Attorneys for the Agent: Davis Polk & Wardwell, 450 Lexington Ave., New York, NY 10017, Attn: Donald S. Bernstein and Stephen H. Case; and (iii) the Office of the United States Trustee for the Southern District of New York, and shall be filed with the Clerk of the United States Bankruptcy Court, Southern District of New York, in each case to be actually received by said counsel and by the Clerk no later than 12:00 P.M. local time on March 25, 2002.

Dated: **March 14, 2002**

/s/ STUART M. BERNSTEIN
UNITED STATES BANKRUPTCY JUDGE

02-11039-smb Cedar Chemical Corporation and Vicksburg Chemical Company
Case type: bk **Chapter:** 11 **Asset:** Yes **Vol:** v **Judge:** Stuart M. Bernstein
Date filed: 03/08/2002 **Date of last filing:** 09/19/2003

History

Doc. No.	Dates	Description
--	<i>Filed & Entered:</i> 03/08/2002	⓪ Add Judge
--	<i>Filed & Entered:</i> 03/08/2002	⓪ Auto- docket of credit card
<u>1</u>	<i>Filed & Entered:</i> 03/08/2002	⓪ Voluntary Petition (Chapter 11)
<u>2</u>	<i>Filed & Entered:</i> 03/08/2002	⓪ Motion for Joint Administration
<u>3</u>	<i>Filed & Entered:</i> 03/08/2002 <i>Terminated:</i> 03/08/2002	⓪ Application to Employ
<u>4</u>	<i>Filed & Entered:</i> 03/08/2002 <i>Terminated:</i> 03/11/2002	⓪ Application to Extend Time to File Schedules
<u>5</u>	<i>Filed & Entered:</i> 03/08/2002 <i>Terminated:</i> 03/11/2002	⓪ Motion to Approve
<u>6</u>	<i>Filed & Entered:</i> 03/08/2002 <i>Terminated:</i> 03/11/2002	⓪ Motion to Authorize
<u>7</u>	<i>Filed & Entered:</i> 03/08/2002 <i>Terminated:</i> 03/27/2002	⓪ Application for Ex Parte Relief
<u>8</u>	<i>Filed & Entered:</i> 03/08/2002 <i>Terminated:</i> 03/11/2002	⓪ Motion to Authorize
<u>9</u>	<i>Filed & Entered:</i> 03/08/2002 <i>Terminated:</i> 03/27/2002	⓪ Application for Ex Parte Relief
<u>10</u>	<i>Filed & Entered:</i> 03/08/2002 <i>Terminated:</i> 03/11/2002	⓪ Motion to Authorize
✓ <u>11</u>	<i>Filed & Entered:</i> 03/08/2002	⓪ Order
<u>12</u>	<i>Filed & Entered:</i> 03/08/2002	⓪ Order Re: Application to Employ
<u>13</u>	<i>Filed & Entered:</i> 03/11/2002	⓪ Order Re: Motion to Authorize
<u>14</u>	<i>Filed & Entered:</i> 03/11/2002	⓪ Order Re: Application to Extend Time to File Schedules
<u>15</u>	<i>Filed & Entered:</i> 03/11/2002	⓪ Order Re: Motion to Authorize
<u>16</u>	<i>Filed & Entered:</i> 03/11/2002	⓪ Order Re: Motion to Approve
<u>17</u>	<i>Filed & Entered:</i> 03/11/2002	⓪ Scheduling Order
<u>18</u>	<i>Filed & Entered:</i> 03/11/2002	⓪ Order Re: Motion to Authorize
--	<i>Filed & Entered:</i> 03/12/2002	⓪ Notice of Electronic Filing
<u>19</u>	<i>Filed & Entered:</i> 03/12/2002	⓪ Notice of Hearing
✓ <u>20</u>	<i>Filed & Entered:</i> 03/13/2002	⓪ Affidavit of Service
✓ <u>21</u>	<i>Filed & Entered:</i> 03/13/2002	⓪ Affidavit of Service
<u>22</u>	<i>Filed & Entered:</i> 03/14/2002	⓪ Order (GENERIC)

<u>23</u>	<i>Filed & Entered:</i> 03/15/2002	☉ Application for Ex Parte Relief
<u>24</u>	<i>Filed:</i> 03/17/2002 <i>Entered:</i> 03/18/2002	☉ Certificate of Mailing - Notice of Electronic Filing
<u>25</u>	<i>Filed & Entered:</i> 03/18/2002	☉ Scheduling Order
<u>26</u>	<i>Filed & Entered:</i> 03/18/2002	☉ Notice of Appearance
<u>27</u>	<i>Filed & Entered:</i> 03/18/2002	☉ Certificate of Service

Doc. No.	Dates	Description
<u>✓28</u>	<i>Filed & Entered:</i> 03/18/2002	☉ Notice to Produce Documents
<u>✓28</u>	<i>Filed & Entered:</i> 03/18/2002	☉ Notice to Take Depositions
<u>29</u>	<i>Filed & Entered:</i> 03/18/2002	☉ Objection to Motion
<u>30</u>	<i>Filed & Entered:</i> 03/18/2002	☉ Affidavit of Service
<u>31</u>	<i>Filed & Entered:</i> 03/19/2002	☉ Affidavit of Service
<u>✓32</u>	<i>Filed & Entered:</i> 03/19/2002	☉ Appointment of Official Creditors' Committee
<u>33</u>	<i>Filed & Entered:</i> 03/20/2002	☉ Affidavit of Service
<u>34</u>	<i>Filed & Entered:</i> 03/21/2002	☉ Order (GENERIC)
<u>35</u>	<i>Filed & Entered:</i> 03/21/2002 <i>Terminated:</i> 04/08/2002	☉ Application to Employ
<u>36</u>	<i>Filed & Entered:</i> 03/22/2002	☉ Affidavit of Service
<u>37</u>	<i>Filed & Entered:</i> 03/22/2002 <i>Terminated:</i> 03/25/2002	☉ Application for Pro Hac Vice Admission
<u>38</u>	<i>Filed & Entered:</i> 03/22/2002	☉ Notice of Appearance
<u>39</u>	<i>Filed & Entered:</i> 03/25/2002	☉ Objection to Motion
<u>40</u>	<i>Filed & Entered:</i> 03/25/2002	☉ Order Re: Application for Pro Hac Vice
<u>41</u>	<i>Filed & Entered:</i> 03/25/2002	☉ Objection
<u>✓42</u>	<i>Filed & Entered:</i> 03/25/2002	☉ Notice of Proposed Order
<u>43</u>	<i>Filed & Entered:</i> 03/26/2002	☉ Affidavit of Service
<u>44</u>	<i>Filed & Entered:</i> 03/27/2002	☉ Order Re: Application for Ex Parte Relief
<u>45</u>	<i>Filed & Entered:</i> 03/27/2002	☉ Order Re: Application for Ex Parte Relief
<u>46</u>	<i>Filed & Entered:</i> 03/27/2002	☉ Order (GENERIC)
<u>47</u>	<i>Filed & Entered:</i> 03/27/2002	☉ So Ordered (Stipulation)
<u>48</u>	<i>Filed & Entered:</i> 03/28/2002	☉ Affidavit of Service
<u>49</u>	<i>Filed & Entered:</i> 03/28/2002	☉ Application to Employ
<u>50</u>	<i>Filed & Entered:</i> 03/28/2002	☉ Affidavit of Service
<u>51</u>	<i>Filed & Entered:</i> 03/28/2002	☉ Notice of Proposed Order
<u>52</u>	<i>Filed & Entered:</i> 03/29/2002	☉ Objection
<u>✓53</u>	<i>Filed & Entered:</i> 04/01/2002	☉ Statement
<u>54</u>	<i>Filed & Entered:</i> 04/01/2002	☉ Notice of Proposed Order

<u>55</u>	<i>Filed & Entered:</i> 04/02/2002	● Order (GENERIC)
<u>56</u>	<i>Filed & Entered:</i> 04/02/2002	● Statement

Doc. No.	Dates	Description
<u>57</u>	<i>Filed & Entered:</i> 04/02/2002	● Affidavit of Service
<u>59</u>	<i>Filed:</i> 04/02/2002 <i>Entered:</i> 04/03/2002	● Notice Conventional Filing
<u>60</u>	<i>Filed:</i> 04/02/2002 <i>Entered:</i> 04/03/2002	● Notice Conventional Filing
<u>58</u>	<i>Filed & Entered:</i> 04/03/2002	● Order (GENERIC)
<u>61</u>	<i>Filed & Entered:</i> 04/04/2002 <i>Terminated:</i> 04/24/2002	● Motion to Reject
<u>62</u>	<i>Filed & Entered:</i> 04/04/2002 <i>Terminated:</i> 05/06/2002	● Motion to Reject
<u>63</u>	<i>Filed & Entered:</i> 04/05/2002	● Affidavit of Service
<u>64</u>	<i>Filed & Entered:</i> 04/05/2002	● Affidavit of Service
<u>65</u>	<i>Filed & Entered:</i> 04/05/2002	● Letter
<u>66</u>	<i>Filed & Entered:</i> 04/05/2002	● Notice of Proposed Order
<u>67</u>	<i>Filed & Entered:</i> 04/08/2002	● Order Re: Application to Employ
<u>68</u>	<i>Filed & Entered:</i> 04/08/2002	● Order (GENERIC)
<u>69</u>	<i>Filed & Entered:</i> 04/08/2002	● Notice of Appearance
<u>70</u>	<i>Filed & Entered:</i> 04/09/2002	● Affidavit of Service
<u>71</u>	<i>Filed & Entered:</i> 04/09/2002	● Notice of Proposed Order
<u>72</u>	<i>Filed & Entered:</i> 04/09/2002	● Notice of Proposed Order
<u>73</u>	<i>Filed & Entered:</i> 04/10/2002	● Notice of Appearance
<u>74</u>	<i>Filed & Entered:</i> 04/12/2002	● Notice of Appearance
<u>75</u>	<i>Filed & Entered:</i> 04/12/2002	● Affidavit of Service
<u>76</u>	<i>Filed & Entered:</i> 04/12/2002	● Affidavit of Service
<u>80</u>	<i>Filed:</i> 04/12/2002 <i>Entered:</i> 04/16/2002	● Notice Conventional Filing
<u>77</u>	<i>Filed & Entered:</i> 04/15/2002	● Order (GENERIC)
<u>78</u>	<i>Filed & Entered:</i> 04/15/2002	● Order (GENERIC)
<u>79</u>	<i>Filed & Entered:</i> 04/15/2002 <i>Terminated:</i> 04/17/2002	● Application for Pro Hac Vice Admission
<u>81</u>	<i>Filed & Entered:</i> 04/16/2002	● Motion to Extend Time
<u>82</u>	<i>Filed & Entered:</i> 04/16/2002	● Notice of Hearing
<u>83</u>	<i>Filed & Entered:</i> 04/17/2002	● Order Re: Application for Pro Hac Vice
<u>84</u>	<i>Filed & Entered:</i> 04/17/2002	● Affidavit of Service
<u>85</u>	<i>Filed & Entered:</i> 04/17/2002	● Affidavit of Service

<u>86</u>	<i>Filed & Entered: 04/18/2002</i>	● Notice of Appearance
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Doc. No.	Dates	Description
<u>87</u>	<i>Filed & Entered: 04/18/2002</i>	● Rule 2016 Statement
<u>88</u>	<i>Filed & Entered: 04/19/2002</i>	● So Ordered (Stipulation)
<u>89</u>	<i>Filed & Entered: 04/19/2002</i>	● Notice of Appearance
<u>90</u>	<i>Filed & Entered: 04/22/2002</i>	● Order (GENERIC)
<u>91</u>	<i>Filed & Entered: 04/22/2002</i> <i>Terminated: 04/22/2002</i>	● Notice (GENERIC)
<u>92</u>	<i>Filed & Entered: 04/22/2002</i> <i>Terminated: 04/23/2002</i>	● Motion to Authorize
<u>93</u>	<i>Filed & Entered: 04/23/2002</i>	● Order Re: Motion to Authorize
<u>94</u>	<i>Filed & Entered: 04/23/2002</i>	● Motion to Extend Time
<u>95</u>	<i>Filed & Entered: 04/23/2002</i> <i>Terminated: 05/09/2002</i>	● Application to Extend Time to File Schedules
<u>96</u>	<i>Filed & Entered: 04/23/2002</i>	● Affidavit of Service
<u>97</u>	<i>Filed & Entered: 04/24/2002</i>	● Order Re: Motion to Reject
<u>98</u>	<i>Filed & Entered: 04/25/2002</i>	● Notice of Proposed Order
<u>99</u>	<i>Filed & Entered: 04/25/2002</i>	● Notice of Settlement of an Order
<u>100</u>	<i>Filed & Entered: 04/25/2002</i>	● Notice of Proposed Order
<u>101</u>	<i>Filed & Entered: 04/25/2002</i>	● Motion to Assume
<u>102</u>	<i>Filed & Entered: 04/26/2002</i>	● Certificate of Service
<u>103</u>	<i>Filed & Entered: 04/26/2002</i>	● Notice of Appearance
<u>104</u>	<i>Filed & Entered: 04/26/2002</i>	● Affidavit of Service
<u>105</u>	<i>Filed & Entered: 04/29/2002</i>	● Affidavit of Service
<u>106</u>	<i>Filed & Entered: 04/29/2002</i>	● Affidavit of Service
<u>107</u>	<i>Filed & Entered: 04/29/2002</i>	● Affidavit of Service
<u>108</u>	<i>Filed & Entered: 04/30/2002</i>	● Notice of Motion to Set Hearing
<u>109</u>	<i>Filed & Entered: 04/30/2002</i>	● Certificate of Service
<u>110</u>	<i>Filed & Entered: 05/01/2002</i>	● Order (GENERIC)
<u>111</u>	<i>Filed & Entered: 05/01/2002</i>	● Order (GENERIC)
<u>112</u>	<i>Filed & Entered: 05/02/2002</i>	● Notice of Appearance
<u>113</u>	<i>Filed & Entered: 05/03/2002</i>	● Notice of Proposed Order
<u>114</u>	<i>Filed & Entered: 05/03/2002</i>	● Affidavit of Service
<u>115</u>	<i>Filed & Entered: 05/03/2002</i>	● Motion to Compel Abandonment of Property (fee)
<u>116</u>	<i>Filed & Entered: 05/06/2002</i>	● Affidavit

Doc.	Dates	Description
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No.		
<u>117</u>	<i>Filed & Entered:</i> 05/06/2002	☉ Order Re: Motion to Reject
<u>118</u>	<i>Filed & Entered:</i> 05/07/2002	☉ Objection
<u>119</u>	<i>Filed & Entered:</i> 05/08/2002 <i>Terminated:</i> 05/10/2002	☉ Application for Pro Hac Vice Admission
<u>120</u>	<i>Filed & Entered:</i> 05/08/2002	☉ Affidavit of Service
<u>121</u>	<i>Filed & Entered:</i> 05/08/2002	☉ Affidavit of Service
<u>122</u>	<i>Filed & Entered:</i> 05/08/2002	☉ Affidavit of Service
<u>123</u>	<i>Filed & Entered:</i> 05/09/2002	☉ Objection
<u>124</u>	<i>Filed & Entered:</i> 05/09/2002	☉ Order Re: Application to Extend Time to File Schedules
<u>125</u>	<i>Filed & Entered:</i> 05/09/2002	☉ So Ordered (Stipulation)
<u>126</u>	<i>Filed & Entered:</i> 05/09/2002	☉ Response
<u>127</u>	<i>Filed & Entered:</i> 05/10/2002	☉ Order Re: Application for Pro Hac Vice
<u>128</u>	<i>Filed & Entered:</i> 05/10/2002	☉ Stipulation
<u>129</u>	<i>Filed & Entered:</i> 05/10/2002	☉ Opposition
<u>130</u>	<i>Filed & Entered:</i> 05/10/2002 <i>Terminated:</i> 05/31/2002	☉ Motion to Reject
<u>131</u>	<i>Filed & Entered:</i> 05/10/2002 <i>Terminated:</i> 05/31/2002	☉ Motion to Authorize
<u>132</u>	<i>Filed & Entered:</i> 05/13/2002	☉ Order (GENERIC)
<u>133</u>	<i>Filed & Entered:</i> 05/13/2002	☉ Objection to Motion
<u>134</u>	<i>Filed & Entered:</i> 05/13/2002	☉ Declaration
<u>135</u>	<i>Filed & Entered:</i> 05/14/2002	☉ Affidavit of Service
<u>136</u>	<i>Filed & Entered:</i> 05/15/2002	☉ Affidavit of Service
<u>137</u>	<i>Filed & Entered:</i> 05/15/2002	☉ Notice of Appearance
<u>138</u>	<i>Filed & Entered:</i> 05/15/2002	☉ Notice of Hearing
<u>139</u>	<i>Filed & Entered:</i> 05/15/2002	☉ Certificate of Service
<u>140</u>	<i>Filed & Entered:</i> 05/16/2002	☉ Notice of Settlement of an Order
<u>141</u>	<i>Filed & Entered:</i> 05/16/2002 <i>Terminated:</i> 06/06/2002	☉ Application for Pro Hac Vice Admission
<u>142</u>	<i>Filed & Entered:</i> 05/17/2002 <i>Terminated:</i> 05/31/2002	☉ Motion to Authorize
<u>143</u>	<i>Filed & Entered:</i> 05/17/2002	☉ Affidavit of Service
<u>144</u>	<i>Filed & Entered:</i> 05/17/2002	☉ Objection to Motion
<u>145</u>	<i>Filed & Entered:</i> 05/17/2002	☉ Affidavit of Service
<u>146</u>	<i>Filed & Entered:</i> 05/22/2002	☉ Letter

Doc. No.	Dates	Description
--	<i>Filed & Entered:</i> 05/24/2002	☉ Motion for Relief from Stay (fee)

--	<i>Filed & Entered:</i> 05/24/2002	● Auto- docket of credit card
<u>147</u>	<i>Filed & Entered:</i> 05/24/2002	● Order Vacating an Order
<u>148</u>	<i>Filed & Entered:</i> 05/24/2002	● Notice of Motion to Set Hearing
<u>149</u>	<i>Filed & Entered:</i> 05/24/2002	● Certificate of Service
<u>154</u>	<i>Filed:</i> 05/24/2002 <i>Entered:</i> 05/29/2002	● Objection
<u>150</u>	<i>Filed & Entered:</i> 05/28/2002	● Response to Motion
<u>151</u>	<i>Filed & Entered:</i> 05/28/2002	● Notice of No Objection
<u>152</u>	<i>Filed & Entered:</i> 05/29/2002	● Objection
<u>153</u>	<i>Filed & Entered:</i> 05/29/2002	● Application for Pro Hac Vice Admission
<u>155</u>	<i>Filed & Entered:</i> 05/30/2002	● Affidavit of Service
<u>156</u>	<i>Filed & Entered:</i> 05/30/2002	● Affidavit of Service
<u>157</u>	<i>Filed & Entered:</i> 05/30/2002	● So Ordered (Stipulation)
<u>158</u>	<i>Filed & Entered:</i> 05/31/2002	● Order Re: Motion to Authorize
<u>159</u>	<i>Filed & Entered:</i> 05/31/2002	● So Ordered (Stipulation)
<u>160</u>	<i>Filed & Entered:</i> 05/31/2002	● Order Re: Motion to Authorize
<u>161</u>	<i>Filed & Entered:</i> 05/31/2002	● Order Re: Motion to Reject
<u>162</u>	<i>Filed & Entered:</i> 06/03/2002	● Schedules
<u>163</u>	<i>Filed & Entered:</i> 06/03/2002	● Statement of Financial Affairs
<u>164</u>	<i>Filed & Entered:</i> 06/05/2002	● Letter
<u>165</u>	<i>Filed & Entered:</i> 06/06/2002	● Order Re: Application for Pro Hac Vice
<u>166</u>	<i>Filed & Entered:</i> 06/11/2002	● Motion to Amend
<u>167</u>	<i>Filed & Entered:</i> 06/12/2002	● Notice of Motion to Set Hearing
<u>168</u>	<i>Filed & Entered:</i> 06/12/2002	● Certificate of Service
<u>169</u>	<i>Filed & Entered:</i> 06/13/2002	● Order (GENERIC)
<u>170</u>	<i>Filed & Entered:</i> 06/13/2002	● Affidavit of Service
<u>171</u>	<i>Filed & Entered:</i> 06/18/2002	● Letter
<u>172</u>	<i>Filed & Entered:</i> 06/19/2002 <i>Terminated:</i> 07/02/2002	● Motion to Extend Time
<u>173</u>	<i>Filed & Entered:</i> 06/20/2002	● Affidavit of Service
<u>174</u>	<i>Filed & Entered:</i> 06/20/2002	● Order (GENERIC)

Doc. No.	Dates	Description
<u>175</u>	<i>Filed & Entered:</i> 06/26/2002	● Stipulation
<u>180</u>	<i>Filed:</i> 06/28/2002 <i>Entered:</i> 07/02/2002	● Objection
<u>176</u>	<i>Filed & Entered:</i> 07/01/2002	● Stipulation
<u>177</u>	<i>Filed & Entered:</i> 07/01/2002	● Stipulation

<u>178</u>	<i>Filed & Entered:</i> 07/01/2002	● Affidavit of Service
<u>179</u>	<i>Filed & Entered:</i> 07/01/2002	● Affidavit of Service
<u>181</u>	<i>Filed & Entered:</i> 07/02/2002	● Order (GENERIC)
<u>182</u>	<i>Filed & Entered:</i> 07/02/2002	● Order Re: Motion to Extend Time
<u>183</u>	<i>Filed & Entered:</i> 07/11/2002	● Motion to Amend
<u>184</u>	<i>Filed & Entered:</i> 07/12/2002	● Affidavit
<u>185</u>	<i>Filed:</i> 07/12/2002 <i>Entered:</i> 07/15/2002	● So Ordered (Stipulation)
<u>186</u>	<i>Filed:</i> 07/12/2002 <i>Entered:</i> 07/15/2002	● Order (GENERIC)
<u>187</u>	<i>Filed & Entered:</i> 07/15/2002	● So Ordered (Stipulation)
<u>188</u>	<i>Filed & Entered:</i> 07/15/2002	● So Ordered (Stipulation)
<u>189</u>	<i>Filed & Entered:</i> 07/17/2002	● Notice of Adjournment of Hearing
<u>190</u>	<i>Filed & Entered:</i> 07/17/2002	● Certificate of Service
<u>191</u>	<i>Filed & Entered:</i> 07/18/2002 <i>Terminated:</i> 08/05/2002	● Motion to Extend Time
<u>192</u>	<i>Filed & Entered:</i> 07/22/2002	● Motion to Amend
<u>193</u>	<i>Filed & Entered:</i> 07/22/2002	● Operating Report
<u>194</u>	<i>Filed & Entered:</i> 07/22/2002	● Operating Report
<u>195</u>	<i>Filed & Entered:</i> 07/24/2002	● Order (GENERIC)
<u>196</u>	<i>Filed & Entered:</i> 07/24/2002	● Affidavit of Service
<u>197</u>	<i>Filed & Entered:</i> 07/25/2002 <i>Terminated:</i> 09/04/2002	● Application for Interim Professional Compensation
<u>198</u>	<i>Filed & Entered:</i> 07/25/2002 <i>Terminated:</i> 09/04/2002	● Application for Interim Professional Compensation
<u>199</u>	<i>Filed & Entered:</i> 07/25/2002	● Notice of Hearing
<u>200</u>	<i>Filed & Entered:</i> 07/25/2002 <i>Terminated:</i> 08/06/2002	● Application for FRBP 2004 Examination
<u>201</u>	<i>Filed & Entered:</i> 07/26/2002	● Objection
<u>202</u>	<i>Filed & Entered:</i> 07/30/2002	● Affidavit of Service
<u>203</u>	<i>Filed & Entered:</i> 07/31/2002	● Letter
<u>204</u>	<i>Filed & Entered:</i> 07/31/2002 <i>Terminated:</i> 09/04/2002	● Application for Interim Professional Compensation

Doc. No.	Dates	Description
<u>205</u>	<i>Filed & Entered:</i> 07/31/2002 <i>Terminated:</i> 09/04/2002	● Application for Interim Professional Compensation
<u>206</u>	<i>Filed & Entered:</i> 08/01/2002	● Stipulation
<u>207</u>	<i>Filed & Entered:</i> 08/01/2002	● Affidavit of Service

<u>208</u>	<i>Filed & Entered: 08/05/2002</i>	● Order Re: Motion to Extend Time
<u>209</u>	<i>Filed & Entered: 08/05/2002</i>	● Motion to Amend
<u>210</u>	<i>Filed & Entered: 08/06/2002</i>	● Order Re: Application for FRBP 2004 Examination
<u>211</u>	<i>Filed & Entered: 08/06/2002</i>	● Stipulation
<u>212</u>	<i>Filed & Entered: 08/06/2002</i>	● Affidavit of Service
<u>213</u>	<i>Filed & Entered: 08/06/2002</i> <i>Terminated: 09/20/2002</i>	● Motion to Compel
<u>214</u>	<i>Filed & Entered: 08/06/2002</i>	● Motion to Compel
<u>215</u>	<i>Filed & Entered: 08/07/2002</i>	● Notice of Electronic Filing
<u>216</u>	<i>Filed & Entered: 08/07/2002</i>	● Affidavit of Service
<u>217</u>	<i>Filed & Entered: 08/08/2002</i>	● Order (GENERIC)
<u>218</u>	<i>Filed & Entered: 08/08/2002</i>	● Notice of Hearing
<u>219</u>	<i>Filed & Entered: 08/08/2002</i> <i>Terminated: 09/09/2002</i>	● Motion to Compel
<u>220</u>	<i>Filed & Entered: 08/09/2002</i>	● Operating Report
<u>221</u>	<i>Filed & Entered: 08/09/2002</i>	● Declaration
<u>222</u>	<i>Filed & Entered: 08/12/2002</i>	● Affidavit of Service
<u>223</u>	<i>Filed & Entered: 08/12/2002</i>	● Notice of Adjournment of Hearing
<u>224</u>	<i>Filed & Entered: 08/12/2002</i>	● Motion to Amend
<u>225</u>	<i>Filed & Entered: 08/13/2002</i>	● Stipulation
<u>226</u>	<i>Filed & Entered: 08/13/2002</i>	● Operating Report
<u>227</u>	<i>Filed & Entered: 08/13/2002</i>	● Certificate of Service
<u>228</u>	<i>Filed & Entered: 08/13/2002</i>	● Order (GENERIC)
<u>229</u>	<i>Filed & Entered: 08/14/2002</i>	● So Ordered (Stipulation)
<u>230</u>	<i>Filed & Entered: 08/16/2002</i>	● Certificate of Service
<u>231</u>	<i>Filed & Entered: 08/16/2002</i>	● Letter
<u>232</u>	<i>Filed & Entered: 08/20/2002</i>	● Objection
<u>233</u>	<i>Filed & Entered: 08/20/2002</i>	● Objection
<u>234</u>	<i>Filed & Entered: 08/21/2002</i>	● Order (GENERIC)

Doc. No.	Dates	Description
<u>235</u>	<i>Filed & Entered: 08/21/2002</i>	● Letter
<u>236</u>	<i>Filed & Entered: 08/23/2002</i>	● Affidavit of Service
<u>237</u>	<i>Filed & Entered: 08/23/2002</i>	● Affidavit of Service
<u>238</u>	<i>Filed & Entered: 08/23/2002</i>	● Objection to Motion
<u>239</u>	<i>Filed & Entered: 08/27/2002</i>	● Response
<u>240</u>	<i>Filed & Entered: 08/27/2002</i>	● Motion to Approve
<u>241</u>	<i>Filed & Entered: 08/28/2002</i>	● Response

<u>242</u>	<i>Filed & Entered:</i> 08/28/2002	● Affidavit of Service
<u>243</u>	<i>Filed & Entered:</i> 08/29/2002	● Operating Report
<u>244</u>	<i>Filed & Entered:</i> 08/29/2002	● Notice of Settlement of an Order
<u>245</u>	<i>Filed & Entered:</i> 08/29/2002 <i>Terminated:</i> 08/30/2002	● Motion to Approve
<u>246</u>	<i>Filed & Entered:</i> 08/30/2002	● Motion to Approve
<u>247</u>	<i>Filed & Entered:</i> 08/30/2002	● Affidavit of Service
<u>248</u>	<i>Filed & Entered:</i> 09/03/2002 <i>Terminated:</i> 09/17/2002	● Application for Pro Hac Vice Admission
<u>249</u>	<i>Filed & Entered:</i> 09/03/2002	● Stipulation
--	<i>Filed & Entered:</i> 09/04/2002 <i>Terminated:</i> 09/04/2002	● Add Professional Fee Record
<u>250</u>	<i>Filed & Entered:</i> 09/04/2002	● Affidavit of Service
<u>251</u>	<i>Filed & Entered:</i> 09/04/2002	● Order Re: Application for Interim Professional Compensation
<u>251</u>	<i>Filed & Entered:</i> 09/04/2002	● Order Re: Application for Interim Professional Compensation
<u>251</u>	<i>Filed & Entered:</i> 09/04/2002	● Order Re: Application for Interim Professional Compensation
<u>251</u>	<i>Filed & Entered:</i> 09/04/2002	● Order Re: Application for Interim Professional Compensation
<u>251</u>	<i>Filed & Entered:</i> 09/04/2002	● Order Re: Administrative Entry - Professional Fees
<u>252</u>	<i>Filed & Entered:</i> 09/05/2002 <i>Terminated:</i> 10/08/2002	● Motion to Sell Free and Clear of Liens
<u>253</u>	<i>Filed & Entered:</i> 09/05/2002	● Scheduling Order
<u>254</u>	<i>Filed & Entered:</i> 09/05/2002	● Notice of Appearance
<u>255</u>	<i>Filed & Entered:</i> 09/06/2002	● Notice of Settlement of an Order
<u>256</u>	<i>Filed & Entered:</i> 09/09/2002	● Order Re: Motion to Compel
<u>257</u>	<i>Filed & Entered:</i> 09/09/2002	● Motion to Reject
<u>258</u>	<i>Filed & Entered:</i> 09/10/2002	● Affidavit of Service
<u>259</u>	<i>Filed & Entered:</i> 09/10/2002	● Affidavit of Service

Doc. No.	Dates	Description
<u>262</u>	<i>Filed:</i> 09/10/2002 <i>Entered:</i> 09/13/2002	● Application for Pro Hac Vice Admission
<u>260</u>	<i>Filed & Entered:</i> 09/12/2002	● Statement
<u>261</u>	<i>Filed & Entered:</i> 09/12/2002	● Scheduling Order
<u>317</u>	<i>Filed:</i> 09/12/2002 <i>Entered:</i> 10/10/2002	● Transcript
<u>318</u>	<i>Filed:</i> 09/12/2002 <i>Entered:</i> 10/10/2002	● Transcript
<u>319</u>	<i>Filed:</i> 09/12/2002 <i>Entered:</i> 10/10/2002	● Transcript

<u>263</u>	<i>Filed & Entered:</i> 09/13/2002	● Notice of Appearance
<u>264</u>	<i>Filed & Entered:</i> 09/13/2002	● Objection to Motion
<u>265</u>	<i>Filed & Entered:</i> 09/17/2002	● Notice of Appearance
<u>266</u>	<i>Filed & Entered:</i> 09/17/2002	● Order Re: Application for Pro Hac Vice
<u>267</u>	<i>Filed & Entered:</i> 09/17/2002	● So Ordered (Stipulation)
<u>268</u>	<i>Filed & Entered:</i> 09/17/2002	● Affidavit of Service
<u>269</u>	<i>Filed & Entered:</i> 09/18/2002	● Affidavit of Service
<u>270</u>	<i>Filed & Entered:</i> 09/18/2002	● Affidavit of Service
<u>271</u>	<i>Filed & Entered:</i> 09/18/2002	● Objection to Motion
<u>272</u>	<i>Filed & Entered:</i> 09/18/2002	● Affidavit of Service
<u>273</u>	<i>Filed & Entered:</i> 09/19/2002	● Notice of Appearance
<u>274</u>	<i>Filed & Entered:</i> 09/19/2002	● So Ordered (Stipulation)
<u>275</u>	<i>Filed & Entered:</i> 09/19/2002 <i>Terminated:</i> 09/19/2002	● Application for Pro Hac Vice Admission
<u>276</u>	<i>Filed & Entered:</i> 09/19/2002 <i>Terminated:</i> 09/19/2002	● Application for Pro Hac Vice Admission
<u>277</u>	<i>Filed & Entered:</i> 09/19/2002	● Order Re: Application for Pro Hac Vice
<u>278</u>	<i>Filed & Entered:</i> 09/19/2002	● Order Re: Application for Pro Hac Vice
<u>279</u>	<i>Filed & Entered:</i> 09/19/2002	● Order (GENERIC)
<u>280</u>	<i>Filed & Entered:</i> 09/20/2002	● Notice of Proposed Order
<u>281</u>	<i>Filed & Entered:</i> 09/20/2002	● Stipulation
<u>282</u>	<i>Filed & Entered:</i> 09/20/2002	● Declaration
<u>283</u>	<i>Filed & Entered:</i> 09/20/2002	● Order Re: Motion to Compel
<u>284</u>	<i>Filed & Entered:</i> 09/20/2002	● Objection to Motion
<u>285</u>	<i>Filed & Entered:</i> 09/20/2002	● Objection
<u>286</u>	<i>Filed & Entered:</i> 09/20/2002	● Declaration

Doc. No.	Dates	Description
<u>287</u>	<i>Filed:</i> 09/20/2002 <i>Entered:</i> 09/23/2002	● Objection
<u>288</u>	<i>Filed & Entered:</i> 09/23/2002	● Affidavit of Service
<u>289</u>	<i>Filed & Entered:</i> 09/24/2002	● Notice of Adjournment of Hearing
<u>290</u>	<i>Filed & Entered:</i> 09/24/2002	● Certificate of Service
<u>291</u>	<i>Filed & Entered:</i> 09/26/2002	● Notice of Proposed Order
<u>292</u>	<i>Filed & Entered:</i> 09/27/2002	● Notice of Proposed Order
<u>293</u>	<i>Filed & Entered:</i> 09/27/2002	● Notice of Proposed Order
<u>294</u>	<i>Filed & Entered:</i> 09/30/2002 <i>Terminated:</i> 10/17/2002	● Motion to Extend Time

<u>295</u>	<i>Filed & Entered:</i> 10/01/2002	● Scheduling Order
<u>296</u>	<i>Filed & Entered:</i> 10/01/2002 <i>Terminated:</i> 10/17/2002	● Motion to Reject
<u>297</u>	<i>Filed & Entered:</i> 10/01/2002	● Notice of No Objection
<u>298</u>	<i>Filed & Entered:</i> 10/02/2002	● Notice of Certification of Publication
<u>299</u>	<i>Filed & Entered:</i> 10/02/2002	● Affidavit of Service
<u>300</u>	<i>Filed & Entered:</i> 10/02/2002	● Memorandum of Law
<u>301</u>	<i>Filed & Entered:</i> 10/02/2002	● Response
<u>302</u>	<i>Filed & Entered:</i> 10/02/2002	● Statement
<u>303</u>	<i>Filed & Entered:</i> 10/02/2002	● Objection to Motion
<u>304</u>	<i>Filed & Entered:</i> 10/02/2002	● Statement
<u>305</u>	<i>Filed & Entered:</i> 10/03/2002	● Certificate of Service
<u>306</u>	<i>Filed & Entered:</i> 10/03/2002	● Objection to Motion
<u>307</u>	<i>Filed & Entered:</i> 10/03/2002	● Affidavit of Service
<u>308</u>	<i>Filed & Entered:</i> 10/03/2002	● Objection
<u>309</u>	<i>Filed & Entered:</i> 10/03/2002	● Objection
<u>310</u>	<i>Filed & Entered:</i> 10/03/2002	● Statement
<u>311</u>	<i>Filed & Entered:</i> 10/03/2002	● Objection
<u>312</u>	<i>Filed & Entered:</i> 10/04/2002	● Statement
<u>313</u>	<i>Filed & Entered:</i> 10/07/2002	● So Ordered (Stipulation)
<u>334</u>	<i>Filed:</i> 10/07/2002 <i>Entered:</i> 10/23/2002	● Application for Pro Hac Vice Admission
<u>314</u>	<i>Filed & Entered:</i> 10/08/2002	● Statement
<u>315</u>	<i>Filed & Entered:</i> 10/08/2002	● Order Re: Motion to Sell Free and Clear of Liens

Doc. No.	Dates	Description
<u>316</u>	<i>Filed & Entered:</i> 10/10/2002	● Notice of Proposed Order
<u>320</u>	<i>Filed & Entered:</i> 10/10/2002	● Affidavit of Service
<u>321</u>	<i>Filed & Entered:</i> 10/16/2002	● Operating Report
<u>322</u>	<i>Filed & Entered:</i> 10/16/2002 <i>Terminated:</i> 01/03/2003	● Motion to Compel
<u>323</u>	<i>Filed & Entered:</i> 10/17/2002	● Order (GENERIC)
<u>324</u>	<i>Filed & Entered:</i> 10/17/2002	● Order Re: Motion to Extend Time
<u>325</u>	<i>Filed & Entered:</i> 10/17/2002	● Order Re: Motion to Reject
<u>326</u>	<i>Filed & Entered:</i> 10/17/2002	● So Ordered (Stipulation)
<u>327</u>	<i>Filed & Entered:</i> 10/17/2002	● Affidavit of Service
<u>328</u>	<i>Filed & Entered:</i> 10/18/2002	● Notice of Appearance
<u>329</u>	<i>Filed & Entered:</i> 10/18/2002	● So Ordered (Stipulation)

<u>330</u>	<i>Filed & Entered:</i> 10/21/2002	☛ So Ordered (Stipulation)
<u>332</u>	<i>Filed:</i> 10/21/2002 <i>Entered:</i> 10/22/2002	☛ Notice Conventional Filing
<u>331</u>	<i>Filed & Entered:</i> 10/22/2002	☛ Affidavit of Service
<u>333</u>	<i>Filed & Entered:</i> 10/22/2002	☛ Affidavit of Service
<u>335</u>	<i>Filed & Entered:</i> 10/24/2002	☛ Statement
<u>347</u>	<i>Filed:</i> 10/24/2002 <i>Entered:</i> 11/01/2002	☛ Notice Conventional Filing
<u>336</u>	<i>Filed & Entered:</i> 10/25/2002	☛ Stipulation
<u>337</u>	<i>Filed & Entered:</i> 10/29/2002	☛ Order (GENERIC)
<u>338</u>	<i>Filed & Entered:</i> 10/29/2002	☛ Affidavit of Service
<u>339</u>	<i>Filed & Entered:</i> 10/29/2002	☛ Affidavit of Service
<u>340</u>	<i>Filed & Entered:</i> 10/30/2002 <i>Terminated:</i> 11/14/2002	☛ Motion to Reject
<u>341</u>	<i>Filed & Entered:</i> 10/31/2002	☛ Statement
<u>342</u>	<i>Filed & Entered:</i> 10/31/2002	☛ Statement
<u>343</u>	<i>Filed & Entered:</i> 10/31/2002	☛ Certificate of Service
<u>344</u>	<i>Filed & Entered:</i> 10/31/2002	☛ Certificate of Service
<u>345</u>	<i>Filed & Entered:</i> 10/31/2002	☛ Notice of Motion to Set Hearing
<u>346</u>	<i>Filed & Entered:</i> 10/31/2002	☛ Certificate of Service
<u>348</u>	<i>Filed & Entered:</i> 11/05/2002	☛ Affidavit of Service
<u>349</u>	<i>Filed & Entered:</i> 11/05/2002	☛ So Ordered (Stipulation)

Doc. No.	Dates	Description
<u>350</u>	<i>Filed & Entered:</i> 11/05/2002	☛ Notice of Hearing
<u>351</u>	<i>Filed & Entered:</i> 11/07/2002	☛ Operating Report
<u>352</u>	<i>Filed & Entered:</i> 11/11/2002	☛ Objection to Motion
<u>353</u>	<i>Filed & Entered:</i> 11/12/2002	☛ Affidavit of Service
<u>354</u>	<i>Filed & Entered:</i> 11/12/2002	☛ Motion to Authorize
<u>355</u>	<i>Filed & Entered:</i> 11/14/2002	☛ Scheduling Order
<u>356</u>	<i>Filed & Entered:</i> 11/14/2002	☛ Order Re: Motion to Reject
<u>357</u>	<i>Filed & Entered:</i> 11/18/2002	☛ Notice of Proposed Order
<u>358</u>	<i>Filed & Entered:</i> 11/18/2002	☛ Affidavit of Service
<u>359</u>	<i>Filed & Entered:</i> 11/21/2002	☛ Certificate of Service
<u>362</u>	<i>Filed:</i> 11/26/2002 <i>Entered:</i> 12/04/2002	☛ Letter
<u>360</u>	<i>Filed & Entered:</i> 11/27/2002	☛ Objection to Motion
<u>361</u>	<i>Filed & Entered:</i> 12/02/2002	☛ Opposition Brief

<u>364</u>	<i>Filed:</i> 12/03/2002 <i>Entered:</i> 12/10/2002	● Notice Conventional Filing
<u>363</u>	<i>Filed & Entered:</i> 12/05/2002	● Notice of Electronic Filing
<u>365</u>	<i>Filed & Entered:</i> 12/12/2002	● So Ordered (Stipulation)
<u>366</u>	<i>Filed & Entered:</i> 12/12/2002	● Response
<u>367</u>	<i>Filed & Entered:</i> 12/13/2002	● Order (GENERIC)
<u>368</u>	<i>Filed & Entered:</i> 12/13/2002	● Notice of Hearing
<u>369</u>	<i>Filed & Entered:</i> 12/19/2002 <i>Terminated:</i> 01/17/2003	● Application for Interim Professional Compensation
<u>370</u>	<i>Filed & Entered:</i> 12/19/2002	● Affidavit of Service
<u>371</u>	<i>Filed & Entered:</i> 12/20/2002 <i>Terminated:</i> 01/02/2003	● Motion to Extend Time
<u>372</u>	<i>Filed & Entered:</i> 12/20/2002	● Affidavit of Service
<u>373</u>	<i>Filed & Entered:</i> 12/20/2002	● Affidavit of Service
<u>374</u>	<i>Filed & Entered:</i> 12/30/2002 <i>Terminated:</i> 01/23/2003	● Motion to Appoint
<u>375</u>	<i>Filed & Entered:</i> 12/30/2002 <i>Terminated:</i> 01/15/2003	● Motion to Reject
<u>376</u>	<i>Filed & Entered:</i> 12/31/2002 <i>Terminated:</i> 01/17/2003	● Application for Interim Professional Compensation
<u>377</u>	<i>Filed & Entered:</i> 01/02/2003	● Order Re: Motion to Extend Time
<u>378</u>	<i>Filed & Entered:</i> 01/03/2003	● Affidavit of Service
<u>379</u>	<i>Filed & Entered:</i> 01/03/2003	● Affidavit of Service

Doc. No.	Dates	Description
<u>380</u>	<i>Filed & Entered:</i> 01/03/2003	● Affidavit of Service
<u>381</u>	<i>Filed & Entered:</i> 01/03/2003	● Order Re: Motion to Compel
<u>382</u>	<i>Filed & Entered:</i> 01/03/2003	● Letter
<u>383</u>	<i>Filed & Entered:</i> 01/03/2003 <i>Terminated:</i> 01/17/2003	● Application for Interim Professional Compensation
<u>384</u>	<i>Filed & Entered:</i> 01/03/2003	● Notice of Hearing
<u>385</u>	<i>Filed & Entered:</i> 01/08/2003 <i>Terminated:</i> 01/24/2003	● Application for Interim Professional Compensation
<u>386</u>	<i>Filed & Entered:</i> 01/13/2003	● Notice of Proposed Order
<u>387</u>	<i>Filed & Entered:</i> 01/13/2003	● Objection to Motion
<u>388</u>	<i>Filed & Entered:</i> 01/14/2003	● Operating Report
<u>389</u>	<i>Filed & Entered:</i> 01/14/2003	● Operating Report
<u>390</u>	<i>Filed & Entered:</i> 01/14/2003	● Operating Report
<u>391</u>	<i>Filed & Entered:</i> 01/14/2003	● Operating Report

<u>392</u>	<i>Filed & Entered:</i> 01/15/2003	● Order Re: Motion to Reject
<u>393</u>	<i>Filed & Entered:</i> 01/17/2003	● Notice of Proposed Order
<u>394</u>	<i>Filed & Entered:</i> 01/17/2003	● Order Re: Application for Interim Professional Compensation
<u>394</u>	<i>Filed & Entered:</i> 01/17/2003	● Order Re: Application for Interim Professional Compensation
<u>394</u>	<i>Filed & Entered:</i> 01/17/2003	● Order Re: Application for Interim Professional Compensation
<u>395</u>	<i>Filed & Entered:</i> 01/21/2003	● Objection to Motion
<u>396</u>	<i>Filed & Entered:</i> 01/23/2003	● Order Re: Motion to Appoint
<u>397</u>	<i>Filed & Entered:</i> 01/24/2003	● Order Re: Application for Interim Professional Compensation
<u>398</u>	<i>Filed & Entered:</i> 01/24/2003	● Motion to Approve Compromise
<u>403</u>	<i>Filed:</i> 01/27/2003 <i>Entered:</i> 02/04/2003	● Motion for Payment of Administrative Expenses
<u>399</u>	<i>Filed & Entered:</i> 01/31/2003	● Statement
<u>400</u>	<i>Filed & Entered:</i> 01/31/2003	● Motion to Approve Compromise
<u>401</u>	<i>Filed & Entered:</i> 02/03/2003	● Affidavit of Service
<u>402</u>	<i>Filed & Entered:</i> 02/03/2003	● Affidavit of Service
<u>404</u>	<i>Filed & Entered:</i> 02/07/2003	● Notice of Hearing
<u>405</u>	<i>Filed & Entered:</i> 02/10/2003 <i>Terminated:</i> 02/26/2003	● Motion to Sell Free and Clear of Liens
<u>406</u>	<i>Filed & Entered:</i> 02/10/2003	● Scheduling Order
<u>407</u>	<i>Filed & Entered:</i> 02/11/2003	● Affidavit of Service

Doc. No.	Dates	Description
<u>408</u>	<i>Filed & Entered:</i> 02/11/2003	● Affidavit of Service
<u>409</u>	<i>Filed & Entered:</i> 02/13/2003	● Affidavit of Service
<u>410</u>	<i>Filed & Entered:</i> 02/13/2003 <i>Terminated:</i> 04/17/2003	● Motion to Extend Time
<u>411</u>	<i>Filed & Entered:</i> 02/13/2003	● Scheduling Order
<u>412</u>	<i>Filed & Entered:</i> 02/14/2003	● Notice Conventional Filing
<u>413</u>	<i>Filed & Entered:</i> 02/14/2003	● Affidavit of Service
<u>414</u>	<i>Filed & Entered:</i> 02/14/2003	● Objection to Motion
<u>415</u>	<i>Filed & Entered:</i> 02/17/2003	● Objection
<u>416</u>	<i>Filed & Entered:</i> 02/19/2003	● Notice of Adjournment of Hearing
<u>417</u>	<i>Filed & Entered:</i> 02/21/2003	● Notice of Proposed Order
<u>418</u>	<i>Filed & Entered:</i> 02/21/2003	● Affidavit of Service
<u>419</u>	<i>Filed & Entered:</i> 02/21/2003	● Affidavit of Service
<u>420</u>	<i>Filed & Entered:</i> 02/24/2003	● Objection
<u>421</u>	<i>Filed & Entered:</i> 02/24/2003	● Opposition
<u>422</u>	<i>Filed & Entered:</i> 02/24/2003	● Certificate of Service

<u>423</u>	<i>Filed & Entered: 02/24/2003</i>	● Certificate of Service
<u>424</u>	<i>Filed & Entered: 02/26/2003</i>	● Order Re: Motion to Sell Free and Clear of Liens
<u>425</u>	<i>Filed & Entered: 02/26/2003</i>	● Affidavit of Service
<u>426</u>	<i>Filed & Entered: 02/27/2003</i>	● Notice of Hearing
<u>427</u>	<i>Filed & Entered: 02/27/2003</i>	● Order (GENERIC)
<u>428</u>	<i>Filed & Entered: 02/27/2003</i>	● Order (GENERIC)
<u>429</u>	<i>Filed & Entered: 02/27/2003</i>	● So Ordered (Stipulation)
<u>430</u>	<i>Filed & Entered: 02/28/2003</i>	● Affidavit of Service
<u>431</u>	<i>Filed & Entered: 03/03/2003</i>	● Motion to Approve Compromise
<u>432</u>	<i>Filed & Entered: 03/03/2003</i>	● Notice of Proposed Order
<u>433</u>	<i>Filed & Entered: 03/03/2003</i>	● Scheduling Order
<u>434</u>	<i>Filed & Entered: 03/04/2003</i>	● Notice of Certification of Publication
<u>435</u>	<i>Filed & Entered: 03/04/2003</i>	● Affidavit of Service
<u>436</u>	<i>Filed & Entered: 03/06/2003</i>	● Certificate of Service
<u>437</u>	<i>Filed & Entered: 03/11/2003</i>	● So Ordered (Stipulation)

Doc. No.	Dates	Description
<u>438</u>	<i>Filed & Entered: 03/12/2003</i>	● Order (GENERIC)
<u>439</u>	<i>Filed & Entered: 03/12/2003</i>	● Operating Report
<u>440</u>	<i>Filed & Entered: 03/12/2003</i>	● Operating Report
<u>441</u>	<i>Filed & Entered: 03/19/2003</i>	● Order (GENERIC)
<u>442</u>	<i>Filed & Entered: 03/25/2003 Terminated: 04/04/2003</i>	● Motion to Set Last Day to File Proofs of Claim
<u>443</u>	<i>Filed & Entered: 03/26/2003</i>	● Affidavit of Service
<u>444</u>	<i>Filed & Entered: 04/04/2003</i>	● Notice of Proposed Order
<u>445</u>	<i>Filed & Entered: 04/04/2003</i>	● Order Re: Motion to Set Last Day to File Proofs of Claim
<u>446</u>	<i>Filed & Entered: 04/10/2003</i>	● Notice of Proposed Order
<u>447</u>	<i>Filed & Entered: 04/10/2003</i>	● Letter
<u>448</u>	<i>Filed & Entered: 04/11/2003</i>	● Notice of Settlement of an Order
<u>449</u>	<i>Filed & Entered: 04/11/2003</i>	● Statement
<u>450</u>	<i>Filed & Entered: 04/11/2003</i>	● Statement
<u>451</u>	<i>Filed & Entered: 04/14/2003</i>	● Affidavit of Service
<u>452</u>	<i>Filed & Entered: 04/14/2003</i>	● Affidavit of Service
<u>453</u>	<i>Filed & Entered: 04/14/2003</i>	● Affidavit of Service
<u>465</u>	<i>Filed: 04/14/2003 Entered: 05/01/2003</i>	● Notice Conventional Filing
<u>454</u>	<i>Filed & Entered: 04/16/2003 Terminated: 04/17/2003</i>	● Stipulation

✓ 455	Filed & Entered: 04/17/2003	☉ Notice of Proposed Order
456	Filed & Entered: 04/17/2003	☉ Affidavit of Service
457	Filed & Entered: 04/17/2003	☉ Affidavit of Service
458	Filed & Entered: 04/17/2003	☉ Order Re: Motion to Extend Time
459	Filed & Entered: 04/17/2003 Terminated: 04/22/2003	☉ Notice of Appearance
460	Filed & Entered: 04/22/2003	☉ Affidavit of Service
--	Filed & Entered: 04/23/2003	☉ Auto- docket of credit card
461	Filed & Entered: 04/23/2003	☉ Motion for Relief from Stay (fee)
462	Filed & Entered: 04/28/2003	☉ Certificate of Service
463	Filed & Entered: 04/28/2003	☉ Motion to Approve Compromise
464	Filed & Entered: 04/30/2003	☉ Notice of Certification of Publication
466	Filed & Entered: 05/05/2003	☉ So Ordered (Stipulation)

Doc. No.	Dates	Description
474	Filed: 05/05/2003 Entered: 05/08/2003	☉ Notice Conventional Filing
467	Filed & Entered: 05/06/2003	☉ Motion for Payment of Administrative Expenses
468	Filed & Entered: 05/07/2003	☉ Memorandum Endorsed Order
469	Filed & Entered: 05/07/2003	☉ Certificate of Service
470	Filed & Entered: 05/07/2003	☉ Operating Report
471	Filed & Entered: 05/07/2003	☉ Operating Report
472	Filed & Entered: 05/07/2003	☉ Operating Report
473	Filed & Entered: 05/07/2003	☉ Operating Report
475	Filed & Entered: 05/08/2003	☉ Motion to Compel
476	Filed & Entered: 05/08/2003	☉ Notice of Hearing
477	Filed & Entered: 05/13/2003	☉ Letter
478	Filed & Entered: 05/13/2003	☉ Letter
479	Filed & Entered: 05/14/2003	☉ So Ordered (Stipulation)
480	Filed & Entered: 05/14/2003	☉ Letter
481	Filed & Entered: 05/14/2003	☉ Notice of Withdrawal
482	Filed & Entered: 05/14/2003 Terminated: 06/02/2003	☉ Notice of Hearing
483	Filed & Entered: 05/14/2003	☉ Motion to Approve Compromise
484	Filed & Entered: 05/14/2003	☉ Notice of Hearing
485	Filed & Entered: 05/15/2003	☉ Affidavit of Service
486	Filed & Entered: 05/15/2003 Terminated: 06/16/2003	☉ Application for Interim Professional Compensation

<u>487</u>	<i>Filed & Entered:</i> 05/16/2003 <i>Terminated:</i> 06/16/2003	● Application for Interim Professional Compensation
<u>488</u>	<i>Filed & Entered:</i> 05/16/2003	● Certificate of Service
<u>489</u>	<i>Filed & Entered:</i> 05/19/2003 <i>Terminated:</i> 06/16/2003	● Application for Interim Professional Compensation
<u>490</u>	<i>Filed & Entered:</i> 05/19/2003 <i>Terminated:</i> 06/16/2003	● Application for Interim Professional Compensation
<u>491</u>	<i>Filed & Entered:</i> 05/21/2003	● Affidavit of Service
<u>496</u>	<i>Filed:</i> 05/22/2003 <i>Entered:</i> 06/05/2003	● Statement
<u>492</u>	<i>Filed & Entered:</i> 05/27/2003	● Application for Pro Hac Vice Admission
<u>493</u>	<i>Filed & Entered:</i> 05/27/2003	● Objection to Motion
<u>494</u>	<i>Filed & Entered:</i> 05/30/2003	● Affidavit of Service
<u>495</u>	<i>Filed & Entered:</i> 06/04/2003	● Memorandum Endorsed Order

Doc. No.	Dates	Description
<u>503</u>	<i>Filed:</i> 06/06/2003 <i>Entered:</i> 06/10/2003	● Notice Conventional Filing
--	<i>Filed & Entered:</i> 06/09/2003	● Auto- docket of credit card
<u>497</u>	<i>Filed & Entered:</i> 06/09/2003 <i>Terminated:</i> 08/19/2003	● Motion for Relief from Stay (fee)
<u>498</u>	<i>Filed & Entered:</i> 06/10/2003	● Operating Report
<u>499</u>	<i>Filed & Entered:</i> 06/10/2003	● Operating Report
<u>500</u>	<i>Filed & Entered:</i> 06/10/2003	● Operating Report
<u>501</u>	<i>Filed & Entered:</i> 06/10/2003	● Operating Report
<u>502</u>	<i>Filed & Entered:</i> 06/10/2003	● Order (GENERIC)
<u>504</u>	<i>Filed & Entered:</i> 06/10/2003	● Objection to Motion
<u>505</u>	<i>Filed & Entered:</i> 06/12/2003	● Notice of Settlement of an Order
<u>506</u>	<i>Filed & Entered:</i> 06/16/2003	● Order Re: Application for Interim Professional Compensation
<u>506</u>	<i>Filed & Entered:</i> 06/16/2003	● Order Re: Application for Interim Professional Compensation
<u>506</u>	<i>Filed & Entered:</i> 06/16/2003	● Order Re: Application for Interim Professional Compensation
<u>506</u>	<i>Filed & Entered:</i> 06/16/2003	● Order Re: Application for Interim Professional Compensation
<u>507</u>	<i>Filed & Entered:</i> 06/23/2003	● Memorandum Decision
<u>508</u>	<i>Filed & Entered:</i> 06/24/2003	● Affidavit
<u>509</u>	<i>Filed & Entered:</i> 07/03/2003	● So Ordered (Stipulation)
<u>535</u>	<i>Filed:</i> 07/14/2003 <i>Entered:</i> 08/07/2003	● Transcript
<u>510</u>	<i>Filed & Entered:</i> 07/16/2003	● So Ordered (Stipulation)
<u>511</u>	<i>Filed & Entered:</i> 07/18/2003	● Notice of Withdrawal

✓ <u>512</u>	<i>Filed & Entered: 07/18/2003</i>	● Motion to Convert Case 11 to 7
<u>513</u>	<i>Filed & Entered: 07/21/2003</i>	● Motion by UST
<u>514</u>	<i>Filed & Entered: 07/22/2003</i>	● Motion by UST
<u>515</u>	<i>Filed & Entered: 07/24/2003</i>	● Motion to Authorize
<u>516</u>	<i>Filed & Entered: 07/28/2003</i>	● Operating Report
<u>517</u>	<i>Filed & Entered: 07/28/2003</i>	● Operating Report
<u>518</u>	<i>Filed & Entered: 07/28/2003</i>	● Operating Report
<u>519</u>	<i>Filed & Entered: 07/28/2003</i>	● Operating Report
✓ <u>520</u>	<i>Filed & Entered: 07/28/2003</i>	● Notice of Proposed Order
✓ <u>521</u>	<i>Filed & Entered: 07/28/2003</i>	● Notice of Proposed Order

Doc. No.	Dates	Description
✓ <u>522</u>	<i>Filed & Entered: 07/28/2003</i>	● Notice of Proposed Order
✓ <u>523</u>	<i>Filed & Entered: 07/28/2003</i>	● Notice of Proposed Order
<u>524</u>	<i>Filed & Entered: 07/29/2003</i>	● Opposition
<u>525</u>	<i>Filed & Entered: 07/29/2003</i>	● Order (GENERIC)
<u>526</u>	<i>Filed & Entered: 07/30/2003</i>	● Motion by UST
<u>527</u>	<i>Filed & Entered: 07/31/2003</i>	● Application for Pro Hac Vice Admission
<u>528</u>	<i>Filed & Entered: 08/01/2003</i>	● Memorandum of Law
<u>529</u>	<i>Filed & Entered: 08/01/2003</i>	● Memorandum of Law
<u>530</u>	<i>Filed & Entered: 08/01/2003</i>	● Affidavit of Service
--	<i>Filed: 08/04/2003 Entered: 08/05/2003</i>	● Special Fee Paid
<u>531</u>	<i>Filed & Entered: 08/04/2003</i>	● Certificate of Service
<u>532</u>	<i>Filed & Entered: 08/04/2003</i>	● Operating Report
<u>533</u>	<i>Filed & Entered: 08/04/2003</i>	● Operating Report
✓ <u>534</u>	<i>Filed & Entered: 08/04/2003</i>	● Letter
<u>536</u>	<i>Filed & Entered: 08/11/2003</i>	● Memorandum Endorsed Order
<u>537</u>	<i>Filed & Entered: 08/12/2003</i>	● Affidavit of Service
<u>538</u>	<i>Filed & Entered: 08/13/2003</i>	● Notice of Adjournment of Hearing
<u>539</u>	<i>Filed & Entered: 08/13/2003</i>	● Affidavit of Service
<u>540</u>	<i>Filed & Entered: 08/13/2003</i>	● Motion to Disallow Claims
<u>541</u>	<i>Filed & Entered: 08/14/2003</i>	● Affidavit of Service
<u>542</u>	<i>Filed & Entered: 08/19/2003</i>	● Order Re: Motion for Relief from Stay (fee)
<u>543</u>	<i>Filed & Entered: 08/20/2003</i>	● Affirmation
<u>544</u>	<i>Filed & Entered: 08/20/2003</i>	● Affirmation
<u>545</u>	<i>Filed & Entered: 08/20/2003</i>	● Affirmation
<u>546</u>	<i>Filed & Entered: 08/20/2003</i>	● Affirmation

<u>547</u>	<i>Filed & Entered: 08/21/2003</i>	☛ Memorandum Decision
<u>548</u>	<i>Filed & Entered: 08/26/2003</i>	☛ So Ordered (Stipulation)
<u>549</u>	<i>Filed & Entered: 08/26/2003</i>	☛ So Ordered (Stipulation)
<u>550</u>	<i>Filed & Entered: 09/08/2003</i>	☛ Operating Report
<u>551</u>	<i>Filed & Entered: 09/08/2003</i>	☛ Operating Report

Doc. No.	Dates	Description
<u>552</u>	<i>Filed & Entered: 09/15/2003</i>	☛ Notice Conventional Filing
<u>553</u>	<i>Filed & Entered: 09/17/2003</i>	☛ Affidavit of Service
<u>554</u>	<i>Filed & Entered: 09/19/2003</i>	☛ Affirmation
<u>555</u>	<i>Filed & Entered: 09/19/2003</i>	☛ Affirmation

PACER Service Center			
Transaction Receipt			
09/24/2003 12:50:44			
PACER Login:	pj0163	Client Code:	
Description:	HistDocQry	Case Number:	02-11039-smb
Billable Pages:	12	Cost:	0.84

02-11039-smb Cedar Chemical Corporation and Vicksburg Chemical Company
Case type: bk **Chapter:** 11 **Asset:** Yes **Vol:** v **Judge:** Stuart M. Bernstein
Date filed: 03/08/2002 **Date of last filing:** 09/19/2003

Query

Alias

Trustee

Associated Cases

Attorney

Case Summary

Creditor

Deadline/Schedule

Docket Report ...

Filers

History/Documents - *Docket Sheet*

Notice of Bankruptcy Case Filing

Party

Related Transactions

Status

Lead

**U.S. Bankruptcy Court
Southern District of New York (Manhattan)
Bankruptcy Petition #: 02-11039-smb**

Assigned to: Judge Stuart M. Bernstein
Chapter 11
Voluntary
Asset

Date Filed: 03/08/2002

Cedar Chemical Corporation
c/o Trans-Resources, Inc.
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New York, NY 10152
Debtor

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Vicksburg Chemical Company
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Tax id: 64-0821426
Debtor

Carolyn S. Schwartz
Office of United States Trustee
33 Whitehall Street
21st Floor
New York, NY 10004
(212) 510-0500
U.S. Trustee

United States Trustee
U.S. Trustee

Official Committee
Creditor Committee

represented by **Bonnie Lynn Pollack**
(See above for address)

William M. Kahn
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represented by **Abigail Snow**
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Filing Date	#	Docket Text
09/15/2003	<u>552</u>	Conventional Filing of transcript of September 11, 2003 (Chou, Rosalyn). (Entered: 09/15/2003)
09/17/2003	<u>553</u>	Affidavit of Service of <i>Order Granting Relief from Stay</i> (related document(s) <u>542</u>) filed by Linda T. Taverni on behalf of DaimlerChrysler Services North America LLC, successor by merger to Mercedes-Benz Credit Corporation. (Taverni, Linda) (Entered: 09/17/2003)
09/19/2003	<u>554</u>	Affirmation - <i>Amended Affirmation of Reasonableness</i> filed by William M. Kahn on behalf of Cedar Chemical Corporation. (Kahn, William) (Entered: 09/19/2003)
09/19/2003	<u>555</u>	Affirmation - <i>Amended Affirmation of Reasonableness (Kansas City Southern Railroad)</i> filed by William M. Kahn on behalf of Cedar Chemical Corporation. (Kahn, William) (Entered: 09/19/2003)

PACER Service Center			
Transaction Receipt			
09/24/2003 10:23:57			
PACER Login:	pj0163	Client Code:	
Description:	Docket Report	Case Number:	02-11039-smb
Billable Pages:	2	Cost:	0.14

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In re	:	Case Nos 02 B 11039 (SMB)
	:	02 B 11040 (SMB)
	:	
CEDAR CHEMICAL CORPORATION and	:	
VICKSBURG CHEMICAL COMPANY,	:	(Chapter 11)
	:	
Debtors.	:	
	:	Jointly Administered
-----	X	

Based upon the hearing held before this Court and the application of the United States Trustee and it appearing that appropriate notice has been given and cause existing for the relief requested, it is

ORDERED, that the Debtors shall file (i) a schedule of unpaid debts incurred after the commencement of the Chapter 11 case within 15 days of the date of this order, and (ii) a final report within 30 days of the date of this order, pursuant to F.R. Bankr. Proc. 1019(5).

HONORABLE STUART M. BERNSTEIN
CHIEF BANKRUPTCY JUDGE

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

----- x
In re : Case Nos. 02 B 11039 (SMB)
: 02 B 11040 (SMB)
:
CEDAR CHEMICAL CORPORATION and :
VICKSBURG CHEMICAL COMPANY, : (Chapter 11)
:
Debtors. :
: Jointly Administered
----- x

MEMORANDUM OF LAW IN SUPPORT OF THE
APPLICATION OF THE UNITED STATES TRUSTEE
TO CONVERT THESE CHAPTER 11 CASES TO
CHAPTER 7 CASES OR, IN THE ALTERNATIVE,
TO DISMISS THESE CHAPTER 11 CASES

**UNITED STATES TRUSTEE FOR THE
SOUTHERN DISTRICT OF NEW YORK**
33 Whitehall Street, 21st Floor
New York, New York 10004-2112
Tel. No. (212) 510-0500
Fax No. (212) 668-2255

Brian S. Masumoto, Esq.
Of Counsel

PRELIMINARY STATEMENT

This memorandum of law is respectfully submitted in support of the application filed concurrently herewith (the "Application"). The United States Trustee for the Southern District of New York seeks conversion of these Chapter 11 cases to Chapter 7 cases. Alternatively, the United States Trustee requests that this Court dismiss these Chapter 11 cases pursuant to 11 U.S.C. § 1112(b).

STATEMENT OF FACTS

_____The factual allegations in support of the United States Trustee's Application are set forth in the Application and are incorporated herein by reference.

ARGUMENT

CAUSE FOR CONVERSION OR DISMISSAL OF THESE CHAPTER 11 CASES UNDER SECTION 1112(b) EXISTS HEREIN

Section 1112(b) of the Bankruptcy Code describes a variety of factors which may constitute "cause" for the conversion of a Chapter 11 case to a Chapter 7 case or for the dismissal of a Chapter 11 case in its entirety. See 11 U.S.C. § 1112(b) (Collier Pamphlet ed. 1998). Under this provision, the court may find cause in the following circumstances, among others:

- (1) continuing loss to or diminution of the estate and the absence of a reasonable likelihood of rehabilitation;
- (2) inability to effectuate a plan; or
- (3) unreasonable delay by the debtor that is prejudicial to

creditors.

See 11 U.S.C. § 1112(b) (1-3). However, the list contained in section 1112(b) is not "exhaustive." See In re C-TC 9th Avenue Partnership, 113 F.3d 1304, 1311 (2d Cir. 1997); In re Tornheim, 181 B.R. 161, 163 (Bankr. S.D.N.Y. 1995), appeal dismissed, 1996 WL 79333 (S.D.N.Y., Feb. 23, 1996); In re Mechanical Maintenance, Inc., 128 B.R. 382, 386 (E.D. Pa. 1991); In re Devine, 131 B.R. 952, 955 (Bankr. S.D. Tex. 1991) (the lack of good faith may constitute cause for dismissal); 7 Collier on Bankruptcy ¶1112.04[1] (15th ed. Revised 1996).

The lack of good faith in maintaining and pursuing a Chapter 11 case, warranting either conversion or dismissal, rests on an examination of the totality of the circumstances. See In re Hi-Toc Development Corp., 159 B.R. 691, 693 (Bankr. S.D.N.Y. 1993) (circumstances warranted dismissal where real estate taxes and United States Trustee quarterly fees were unpaid, operating reports not filed, and no plan presented by debtor in over 17 months); In re Sal Caruso Cheese, Inc., 107 B.R. 808, 817-818 (Bankr. N.D.N.Y. 1989) (conversion warranted where debtor filed only one misleading operating report and displayed disregard of the strictures of the Code); see also In re Cohoes Indus. Terminal, Inc., 65 B.R. 918 (Bankr. S.D.N.Y. 1986) (debtor's failure to file proper schedules of assets and liabilities, accurate monthly operating reports, an inability to obtain

adequate insurance, inter alia, constituted sufficient cause for either dismissal or conversion under section 1112(b)). Cf. In re Federal Roofing Co., Inc., 205 B.R. 638, 641 (Bankr. N.D. Ala. 1996) ("Proof of any one of the factors listed in § 1112(b) is sufficient to warrant and justify conversion.") In the instant case, an overall assessment of the facts and circumstances of these cases indicate a failure on the part of the Debtors to properly carry out the debtors' fiduciary obligations to effect proper Chapter 11 cases.

The duty to file monthly operating reports is a critical fiduciary obligation of the Debtors. The failure of the Debtors to fulfill this obligation denies creditors access to important financial information regarding the Debtors' financial affairs. In fact, "[t]imely and accurate financial disclosure is the lifeblood of the Chapter 11 process." In re Berryhill, 127 B.R. 427, 433 (Bankr. N.D. Ind. 1991) (failure to file operating reports constitutes cause for dismissal or conversion of Chapter 11 proceeding); see also In re Roma Group, Inc., 165 B.R. 779, 780 (S.D.N.Y. 1994) (citing In re Berryhill); In re Tornheim, 181 B.R. at 164 (debtors' failure to file reports for ten months warranted conversion or dismissal); In re Copy Crafters Quickprint, Inc., 92 B.R. 973, 986 (Bankr. N.D.N.Y. 1988) (lack of good faith in pursuing chapter 11 case buttressed by the failure to file operating reports warranted conversion of Chapter

11 proceeding to Chapter 7 proceeding).

As noted earlier, the inability of the Debtors to effectuate a plan under Chapter 11 or unreasonable delay by the Debtors that is prejudicial to creditors constitute cause for the conversion or dismissal of these Chapter 11 cases. See 11 U.S.C. § 1112(b) (2-3). The Debtors in these cases have not filed a proper plan or disclosure statement since the commencement of these cases. Dismissal or conversion under section 1112(b) is appropriate where a debtor's failure to file a plan after a reasonable period of time "indicates its inability to do so whether the reason for the debtor's inability to file is its poor financial condition, the structure of the claims against it or some other reason." See Hall v. Vance, 887 F.2d 1041, 1044 (10th Cir. 1989); see also In re Tornheim, 181 B.R. at 164-65 (where debtors' case was not complex, conversion or dismissal was required because debtors' failure to file a plan showed both unreasonable, prejudicial delay and inability to effectuate a plan); In re Hi-Toc Development Corp., 159 B.R. at 693; In re Canion, 129 B.R. 465, 470 (Bankr. S.D. Tex. 1989). Therefore, this Court should find cause for the conversion or dismissal of these cases since the Debtors have not filed a plan and disclosure statement after a reasonable period of time in these cases.

CONCLUSION

Based on the foregoing, the United States Trustee respectfully requests that the Court enter an order converting these cases to cases under Chapter 7, or in the alternative, dismissing these Chapter 11 cases under 11 U.S.C. § 1112(b), and for such other relief as may seem just and proper.

Dated: New York, New York
July 18, 2003

Respectfully submitted,

CAROLYN S. SCHWARTZ
UNITED STATES TRUSTEE

By: /s/ Brian S. Masumoto
Brian S. Masumoto (BSM 8116)
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UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

----- x
In re : Case Nos. 02 B 11039 (SMB)
: 02 B 11040 (SMB)
:
CEDAR CHEMICAL CORPORATION and :
VICKSBURG CHEMICAL COMPANY, : (Chapter 11)
:
Debtors. :
: Jointly Administered
----- x

APPLICATION OF THE UNITED STATES TRUSTEE
TO CONVERT THESE CHAPTER 11 CASES TO
CHAPTER 7 CASES OR, IN THE ALTERNATIVE,
TO DISMISS THESE CHAPTER 11 CASES

TO THE HONORABLE STUART M. BERNSTEIN, CHIEF BANKRUPTCY JUDGE:

The United States Trustee for the Southern District of New York, in furtherance of the duties and responsibilities set forth in 28 U.S.C. § 586(a)(3), (5), does hereby make application to this Court for an order converting these Chapter 11 cases to Chapter 7 cases, pursuant to 11 U.S.C. § 1112(b), or dismissing these Chapter 11 cases. In support thereof, the United States Trustee represents and alleges as follows:

1. The Debtors commenced these cases by filing voluntary petitions on March 8, 2002.
2. The Debtors have continued in possession of their businesses.
3. The United States Trustee appointed a committee of unsecured creditors on March 14, 2002.

4. The Debtors have failed to file a confirmable plan or a disclosure statement since these cases were commenced over 16 months ago. The Debtors' failure to file a confirmable plan, and move towards consummating their cases, indicate that there is no likelihood of these Debtors' reorganization.

5. The Debtors have breached their statutory and fiduciary duty by failing to file operating reports in accordance with the United States Trustee's Operating Guidelines. As of July 17, 2003, the last monthly operating reports filed by the Debtors were for the period ended April 30, 2003. This failure has denied the creditors, the Court, and the United States Trustee fundamental information regarding the Debtors' financial condition. Furthermore, such failure has prevented the parties from monitoring the Debtors's financial performance and their prospects for reorganization.

6. Upon information and belief the Debtors have represented to this Court that they lack sufficient funds to administer these cases in the manner required by this Court.

7. No prior application seeking the relief requested herein has been filed by the United States Trustee.

8. Based on the foregoing, it is respectfully submitted that the Debtors' breach of their duty to file operating reports, delay in filing a plan, and apparent inability to reorganize

constitute cause for dismissal or conversion of these Chapter 11 cases to Chapter 7 cases, pursuant to 11 U.S.C. § 1112(b).

WHEREFORE, the United States Trustee respectfully requests that the Court enter an order converting these Chapter 11 cases to Chapter 7 cases or, in the alternative, dismissing these Chapter 11 cases, pursuant to 11 U.S.C. § 1112(b), and granting such other and further relief as may be deemed just and proper.

Dated: New York, New York
July 18, 2003

Respectfully submitted,

CAROLYN S. SCHWARTZ
UNITED STATES TRUSTEE

By: /s/ Brian S. Masumoto
Brian S. Masumoto (BSM 8116)
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Fax. No. (212) 668-2255

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

HEARING DATE: August 20, 2003
HEARING TIME: 10:00 a.m.

-----x
In re : Case Nos. 02 B 11039 (SMB)
: 02 B 11040 (SMB)
:
CEDAR CHEMICAL CORPORATION and : (Chapter 11)
VICKSBURG CHEMICAL COMPANY, :
: Jointly Administered
Debtors. :
: NOTICE OF MOTION
-----x

PLEASE TAKE NOTICE that upon the annexed application, the United States Trustee for the Southern District of New York will move this Court before the Honorable Stuart M. Bernstein, Bankruptcy Judge, in the United States Bankruptcy Court, Alexander Hamilton Custom House, One Bowling Green, New York, New York 10004 on August 20, 2003 at 10:00 a.m., or as soon thereafter as counsel can be heard, why an order should not be entered converting these Chapter 11 cases to Chapter 7 cases or, in the alternative, dismissing these Chapter 11 cases, and for such other and further relief as this Court may deem just and proper. The original application and memorandum of law are on file with the Clerk of the Bankruptcy Court.

PLEASE TAKE FURTHER NOTICE that any responsive papers should be filed with the Court and personally served on the United States Trustee, at 33 Whitehall Street, 21st Floor, New York, New York 10004-2112, to the attention of Brian S. Masumoto, Esq., no later than three (3) days prior to the return date set forth

above. Such papers shall conform to the Federal Rules of Civil Procedure and identify the party on whose behalf the papers are submitted, the nature of the response, and the basis for such response.

Dated: New York, New York
July 18, 2003

CAROLYN S. SCHWARTZ
UNITED STATES TRUSTEE

By: /s/ Brian S. Masumoto
Brian S. Masumoto (BSM 8116)
Attorney

33 Whitehall Street
21st Floor
New York, New York 10004-2112
Tel. No. (212) 510-0500
Fax. No. (212) 668-2255

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

-----X

In re:

Chapter 11

CEDAR CHEMICAL CORPORATION,

Case No. 02-11039 (SMB)

Debtor.

-----X

In re:

Chapter 11

VICKSBURG CHEMICAL COMPANY,

Case No. 02-11040 (SMB)

Debtor.

-----X

**ORDER AUTHORIZING JOINT ADMINISTRATION
PURSUANT TO BANKRUPTCY RULE 1015(b)**

(A&F #001-a)

Upon the annexed joint application of Cedar Chemical Corporation and Vicksburg Chemical Company, debtors and debtors-in-possession (collectively, the "Debtors"), for an order of joint administration of the above Chapter 11 cases, pursuant to Rule 1015(b) of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"); and upon the subjoined non-objection of the United States Trustee; and due deliberation having been had; and sufficient cause appearing to me therefor;

NOW, on motion of Angel & Frankel, P.C., attorneys for the Debtors, it is

ORDERED, that the Debtors' Chapter 11 cases be, and they hereby are, consolidated for purposes of administration only pursuant to Bankruptcy Rule 1015(b); and it is further

ORDERED, that the caption for such cases as consolidated under the terms hereof shall read as follows:

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

-----X

In re:

Chapter 11

CEDAR CHEMICAL CORPORATION and
VICKSBURG CHEMICAL COMPANY,

Case Nos. 02-11039 (SMB) and
02-11040 (SMB)

Debtors.

Jointly Administered

-----X

; and it is further

ORDERED, that entries shall be made by the Clerk of the Court on the original docket of Cedar Chemical Corporation and Vicksburg Chemical Corporation, substantially as follows:

Orders dated March 8, 2002 have been entered in the cases of Cedar Chemical Corporation and Vicksburg Chemical Company, consolidating such cases for procedural purposes only and providing for the joint administration of the cases of Cedar Chemical Corporation and Vicksburg Chemical Corporation. All docket entries are to be maintained on the docket of Cedar Chemical Corporation Case No. 02-11039 (SMB).

; and it is further

ORDERED, that the Debtors be, and they hereby are, authorized, though not required, to file consolidated monthly operating reports provided that such consolidated reports fulfill the requirements and guidelines set by the United States Trustee; and it further

ORDERED, that this order shall be signed in multiple originals for purposes of docketing an original order in each of the Chapter 11 cases of the Debtors.

Dated: New York, New York
March 8, 2002

/s/ STUART M. BERNSTEIN
United States Bankruptcy Judge

THE UNDERSIGNED HAS NO OBJECTION
TO ENTRY OF THE FOREGOING ORDER:

OFFICE OF THE UNITED STATES TRUSTEE

Staff Attorney

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

-----X

In re

Cedar Chemical Corp. .

Case No 02-11039

CHAPTER 11

Debtor

-----X

NOTICE OF CONVENTIONAL FILING IN ECF SYSTEM:TRANSCRIPT OF HEARING

Transcript of hearing held on September 11, 2003

Re: Vicksberg Chemical Company, Cymetech LLC.....

The transcript of the above hearing has been filed with the Clerk's office,
United States Bankruptcy Court
Southern District of New York
One Bowling Green
New York, New York 10004-1408
and is available for viewing in Room 511 during regular court hours.

Copies of the transcript may be purchased from:
Doyle Reporting, Inc..
369 Lexington Avenue, Suite 400
New York, New York 10017
(212) 867-8220 or 1-800-63-DOYLE

Use Browser Print Button to Print. You can return to the search results by clicking [here](#)

NY Bankruptcies, Liens, & Judgments
Data Available From 00/00/0000 Through 00/00/0000

Date: 9/24/2003

Time: 10:13 AM

Reference: CedarChem

Requestor: PJH

Search Criteria: CEDAR CHEMICAL CORPORATION

Item Number: 1
Filing Number: 0211039SB
Document Type: BANKRUPTCY CHAPTER 11
Filing Date: 03/08/2002
Assets Available: YES
Debtor: CEDAR CHEMICAL CORPORATION, 62-1256255
1 PK AV
NEW YORK, NY 10152
Attorney: ANGEL, JOSHUA J
1 460 PK AV
NEW YORK, NY 10022
(212) 752-8000
Court: NEW YORK BK
County: NEW YORK CITY, NY

End of search.

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NY Bankruptcies, Liens, & Judgments
Data Available From 00/00/0000 Through 00/00/0000

Date: 9/24/2003

Time: 10:12 AM

Reference: CedarChem

Requestor: PJH

Search Criteria: CEDAR CHEMICAL CORPORATION

Files	State/Type	Party	Name	City	St		
1	1	NY	BK	DEBT	CEDAR CHEMICAL CORPORATION	NEW YORK	NY

End of search.

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Document Selection Menu

Multiple Documents

Select the document you wish to view.

Part	Description	
<u>1</u>	Main Document	3 pages
<u>2</u>	Cash Collateral Service List	5 pages
<u>3</u>	Utilities Service List	6 pages
<u>4</u>	Top 40 Creditors Service List	5 pages

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

-----X

In re:

Chapter 11

CEDAR CHEMICAL CORPORATION and,
VICKSBURG CHEMICAL COMPANY,

Case No. 02-11039 (SMB) and
02-11040 (SMB)

Debtors.

Jointly Administered

-----X

**AFFIDAVIT OF SERVICE BY
FEDERAL EXPRESS AND EXPRESS MAIL**

STATE OF NEW YORK)
 ss.:
COUNTY OF NEW YORK)

STANLEY WASHINGTON, being duly sworn, deposes and says:

Deponent is not a party to this proceeding, is over 18 years of age and resides at Queens,
New York.

On March 8, 2002, Deponent served:

- A. Order (1) Authorizing Emergency Use of Cash Collateral, (2) Providing for Adequate Protection, (3) Scheduling Interim and Final Hearings, and (4) Granting Related Relief; and
- B. Application in Support of Order (1) Granting Emergency Authorization to Use Cash Collateral; (2) Scheduling Interim and Final Hearings to Consider Entry of Further Orders: (A) Authorizing Debtors to Utilize Cash Collateral Pursuant to Bankruptcy Rule 4001 and 11 U.S.C. § 363, (B) Granting Adequate Protection, and Replacement Liens Pursuant to 11 U.S.C. §§ 361 and 363(c); (C) Approving Form And Manner of Notice; and (D) Granting Related Relief

upon the parties on the attached Exhibit A by delivering a true copy of same in a wrapper properly sealed and addressed to each party therein named to an authorized agent of Federal Express by overnight mail for receipt on the next business day or by express mail, by depositing a true copy of

same in a post-paid, properly addressed wrapper in an official depository under the exclusive care and custody of the United States Postal Service within the State of New York.

On March 8, 2002 Deponent served:

- A. Order Scheduling Hearing to Consider Motion of The Debtors for an Order (I) Deeming Utilities Adequately Assured of Future Payment and (II) Establishing Procedures for Determining Requests for Additional Assurances Pursuant To Sections 105(a) and 366 of the Bankruptcy Code; and
- B. Verified Motion of the Debtors for an Order (I) Deeming Utilities Adequately Assured of Future Payment and (II) Establishing Procedures for Determining Requests for Additional Assurances Pursuant to Sections 105(a) and 366 of the Bankruptcy Code

upon the parties on the attached Exhibit B by delivering a true copy of same in a wrapper properly sealed and addressed to each party therein named to an authorized agent of Federal Express by overnight mail for receipt on the next business day or by express mail, by depositing a true copy of same in a post-paid, properly addressed wrapper in an official depository under the exclusive care and custody of the United States Postal Service within the State of New York.

On March 8, 2002 deponent served:

- A. U.S. Trustee Notice of Organizational Meeting.
- B. Order (1) Authorizing Emergency Use of Cash Collateral, (2) Providing for Adequate Protection, (3) Scheduling Interim and Final Hearings, and (4) Granting Related Relief; and
- C. Application in Support of Order (1) Granting Emergency Authorization to Use Cash Collateral; (2) Scheduling Interim and Final Hearings to Consider Entry of Further Orders: (A) Authorizing Debtors to Utilize Cash Collateral Pursuant to Bankruptcy Rule 4001 and 11 U.S.C. § 363, (B) Granting Adequate Protection, and Replacement Liens Pursuant to 11 U.S.C. §§ 361 and 363(c); (C) Approving Form And Manner of Notice; and (D) Granting Related Relief
- D. Order Scheduling Hearing to Consider Motion of The Debtors for an Order (I) Deeming Utilities Adequately Assured of Future Payment and (II) Establishing Procedures for Determining Requests for Additional Assurances Pursuant To Sections 105(a) and 366 of the Bankruptcy Code; and
- E. Verified Motion of the Debtors for an Order (I) Deeming Utilities Adequately Assured of Future Payment and (II) Establishing Procedures for Determining

Requests for Additional Assurances Pursuant to Sections 105(a) and 366 of the
Bankruptcy Code

upon the parties on the attached Exhibit C by delivering a true copy of same in a wrapper properly sealed and addressed to each party therein named to an authorized agent of Federal Express by overnight mail for receipt on the next business day or by express mail, by depositing a true copy of same in a post-paid, properly addressed wrapper in an official depository under the exclusive care and custody of the United States Postal Service within the State of New York.

/s/ Stanley Washington
STANLEY WASHINGTON

Sworn to before me this
13th day of March, 2002
/s/ Seth Kornbluth
Notary Public, State of New York

884/Cedar Chemical
Cash Collateral Service List
This is doc #**55742**

PPG Industries, Inc.
Dept at 40177
Atlanta GA 31192-0177

Hoechst Celanese Chem
PO Box 910550
Dallas TX 75391

Howrey LLP
1299 Pennsylvania Ave NW
Washington DC 20004-2402

El Dorado Chem
PO Box 850429
Oklahoma City OK 73185-0429

Harcross Chemicals
PO Box 13007
Memphis TN 38113

Harcross Chemicals Incorporated
1585 Harbert Ave
Memphis, TN 38104

Greif Bros. Corporation
PO Box 97603
Chicago IL 60678-7603

Metachem Products, LLC
PO Box 13327
Philadelphia PA 19101

Cone Solvents
PO Box 13132
Memphis TN 38113

CMS Marketing Services
PO Box 7247-8311
Philadelphia PA 19170-8311

Stephan Company
PO Box 905520
Charlotte NC 28290-5520

Syngenta
Fernhurst Haslemere
Surrey, GU 27 3JE
England, UK

Rhodia
P.O. Box 101665
Atlanta, GA 30392

Woodruff Elec. Coop Corp.
PO Box 1619
Forrest City AR 72335

Soluta Inc.
Box 75098
Charlotte NC 28275

Praxair Inc.
PO Box 281901
Atlanta GA 30384-1901

Adjunvants Unlimited
P.O. Box 3066
Tulsa, OK 74127

A.H. Marks
Wyke Bradford
West Yorkshire
England, BD 129EJ

Resource Label
P.O. Box 1000
Dept. 487
Memphis, TN 38148

CK Witco Corporation
Dept CH 10642
Palatine IL 60055-0642

R.T. Vanderbitt
Dept. 2133
No. Surburban, IL 60132-2133

Industrial Gas Supp. Corp
Lockbox 200908
Houston, TX 77216-0908

Entergy
PO Box 61825
New Orleans, LA 70161-1825

CSX N/A 075122
PO Box 100235
Atlanta, GA 30384-0235

Mississippi Potash
PO Box 530183
Atlanta, GA 30353-1083

Kansas City Southern Rail
PO Box 412215
Kansas City, MO 64141

Agrivert
1345 Ave of the Americas
New York, NY 10105

IMC Kalium
Box 71279
Chicago, IL 60694-1279

General Amer. Trans. Corp
PO Box 93819
Chicago, IL 60673

Armand Products Company
PO Box 95378
Chicago, IL 60694

Brenntag Southwest Inc.
610 Fisher Road
Longview, TX 75604

GE Capital Railcar Ser. R.
PO Box 74699
Chicago, IL 60675-4699

Air Relief Inc.
PO Box 311
Mayfield, KY 42066

Ohmstede
P.O. Box 4444
New Orleans, LA 70154-4444

Jacobs Eng. Group Inc.
PO Box 651063
Charlotte, NC 28265

Norfolk Southern
P.O. Box 945503
Atlanta, GA 30394-5503

Rex-Rosenlew
P.O. Box 651448
Charlotte, NC 28265-1448

URS / Walk Haydel
File 56080
Los Angeles, CA 90074-6080

Occidental Chemical
P.O. Box 651172
Charlotte, NC 28265-1172

Dow Chemical
P.O. Box 503238
St. Louis, MO 63150-3238

Traylor Chemical & Supply
PO Box 547937
Orlando, FL 32854-7937

Brian Masumoto, Esq.
Office of the U.S. Trustee
80 Broad Street, 3rd Floor
New York, NY 10004

Donald S. Bernstein, Esq.
Davis Polk & Wardwell
450 Lexington Avenue
New York, NY 10017

884/Cedar Chemical
Utilities Service List
This is doc #**55741**

PPG Industries, Inc.
Dept at 40177
Atlanta GA 31192-0177

Hoechst Celanese Chem
PO Box 910550
Dallas TX 75391

Howrey LLP
1299 Pennsylvania Ave NW
Washington DC 20004-2402

El Dorado Chem
PO Box 850429
Oklahoma City OK 73185-0429

Harcross Chemicals
PO Box 13007
Memphis TN 38113

Harcross Chemicals Incorporated
1585 Harbert Ave
Memphis, TN 38104

Greif Bros. Corporation
PO Box 97603
Chicago IL 60678-7603

Metachem Products, LLC
PO Box 13327
Philadelphia PA 19101

Cone Solvents
PO Box 13132
Memphis TN 38113

CMS Marketing Services
PO Box 7247-8311
Philadelphia PA 19170-8311

Stephan Company
PO Box 905520
Charlotte NC 28290-5520

Syngenta
Fernhurst Haslemere
Surrey, GU 27 3JE
England, UK

Rhodia
P.O. Box 101665
Atlanta, GA 30392

Woodruff Elec. Coop Corp.
PO Box 1619
Forrest City AR 72335

Soluta Inc.
Box 75098
Charlotte NC 28275

Praxair Inc.
PO Box 281901
Atlanta GA 30384-1901

Adjunvants Unlimited
P.O. Box 3066
Tulsa, OK 74127

A.H. Marks
Wyke Bradford
West Yorkshire
England, BD 129EJ

Resource Label
P.O. Box 1000
Dept. 487
Memphis, TN 38148

CK Witco Corporation
Dept CH 10642
Palatine IL 60055-0642

R.T. Vanderbitt
Dept. 2133
No. Surburban, IL 60132-2133

Industrial Gas Supp. Corp
Lockbox 200908
Houston, TX 77216-0908

Entergy
PO Box 61825
New Orleans, LA 70161-1825

CSX N/A 075122
PO Box 100235
Atlanta, GA 30384-0235

Mississippi Potash
PO Box 530183
Atlanta, GA 30353-1083

Kansas City Southern Rail
PO Box 412215
Kansas City, MO 64141

Agrivert
1345 Ave of the Americas
New York, NY 10105

IMC Kalium
Box 71279
Chicago, IL 60694-1279

General Amer. Trans. Corp
PO Box 93819
Chicago, IL 60673

Armand Products Company
PO Box 95378
Chicago, IL 60694

Brenntag Southwest Inc.
610 Fisher Road
Longview, TX 75604

GE Capital Railcar Ser. R.
PO Box 74699
Chicago, IL 60675-4699

Air Relief Inc.
PO Box 311
Mayfield, KY 42066

Ohmstede
P.O. Box 4444
New Orleans, LA 70154-4444

Jacobs Eng. Group Inc.
PO Box 651063
Charlotte, NC 28265

Norfolk Southern
P.O. Box 945503
Atlanta, GA 30394-5503

Rex-Rosenlew
P.O. Box 651448
Charlotte, NC 28265-1448

URS / Walk Haydel
File 56080
Los Angeles, CA 90074-6080

Occidental Chemical
P.O. Box 651172
Charlotte, NC 28265-1172

Dow Chemical
P.O. Box 503238
St. Louis, MO 63150-3238

Traylor Chemical & Supply
PO Box 547937
Orlando, FL 32854-7937

Brian Masumoto, Esq.
Office of the U.S. Trustee
Southern District of New York
80 Broad Street, 3rd Floor
New York, NY 10004

CMS Marketing Services & Trading Co.
One Jackson Square
Suite 1060
Jackson, MS 49201

Woodruff Electric
Cooperative Corp.
3190 N. Washington, P.O. Box 1619
Forrest City, AR 72336-1619

Helena Water Co.
702 Cherry St.
Helena, AR 72342

West Helena Water Co.
92 Plaza
West Helena, AR 72396

Cingular Wireless
P.O. Box 630069
Dallas, TX 75263

Entergy
P.O. Box 618258
New Orleans, LA 70161

Industrial Gas Supply Corp.
P.O. Box 200908
Houston, TX 77216

ITC Deltacon
P.O. Box 1233
Arab, Alabama 35016

City of Vicksburg
Water & Gas Administration
P.O. Box 58
Vicksburg, MS 39181

884/Cedar Chemical
Top 40 Creditors Service List
This is doc #**55745**

PPG Industries, Inc.
Dept at 40177
Atlanta GA 31192-0177

Hoechst Celanese Chem
PO Box 910550
Dallas TX 75391

Howrey LLP
1299 Pennsylvania Ave NW
Washington DC 20004-2402

El Dorado Chem
PO Box 850429
Oklahoma City OK 73185-0429

Harcross Chemicals
PO Box 13007
Memphis TN 38113

Harcross Chemicals Incorporated
1585 Harbert Ave
Memphis, TN 38104

Greif Bros. Corporation
PO Box 97603
Chicago IL 60678-7603

Metachem Products, LLC
PO Box 13327
Philadelphia PA 19101

Cone Solvents
PO Box 13132
Memphis TN 38113

CMS Marketing Services
PO Box 7247-8311
Philadelphia PA 19170-8311

Stephan Company
PO Box 905520
Charlotte NC 28290-5520

Syngenta
Fernhurst Haslemere
Surrey, GU 27 3JE
England, UK

Rhodia
P.O. Box 101665
Atlanta, GA 30392

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PO Box 1619
Forrest City AR 72335

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Box 75098
Charlotte NC 28275

Praxair Inc.
PO Box 281901
Atlanta GA 30384-1901

Adjunvants Unlimited
P.O. Box 3066
Tulsa, OK 74127

A.H. Marks
Wyke Bradford
West Yorkshire
England, BD 129EJ

Resource Label
P.O. Box 1000
Dept. 487
Memphis, TN 38148

CK Witco Corporation
Dept CH 10642
Palatine IL 60055-0642

R.T. Vanderbitt
Dept. 2133
No. Surburban, IL 60132-2133

Industrial Gas Supp. Corp
Lockbox 200908
Houston, TX 77216-0908

Entergy
PO Box 61825
New Orleans, LA 70161-1825

CSX N/A 075122
PO Box 100235
Atlanta, GA 30384-0235

Mississippi Potash
PO Box 530183
Atlanta, GA 30353-1083

Kansas City Southern Rail
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Kansas City, MO 64141

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New York, NY 10105

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Chicago, IL 60694-1279

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PO Box 93819
Chicago, IL 60673

Armand Products Company
PO Box 95378
Chicago, IL 60694

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610 Fisher Road
Longview, TX 75604

GE Capital Railcar Ser. R.
PO Box 74699
Chicago, IL 60675-4699

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PO Box 311
Mayfield, KY 42066

Ohmstede
P.O. Box 4444
New Orleans, LA 70154-4444

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PO Box 651063
Charlotte, NC 28265

Norfolk Southern
P.O. Box 945503
Atlanta, GA 30394-5503

Rex-Rosenlew
P.O. Box 651448
Charlotte, NC 28265-1448

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File 56080
Los Angeles, CA 90074-6080

Occidental Chemical
P.O. Box 651172
Charlotte, NC 28265-1172

Dow Chemical
P.O. Box 503238
St. Louis, MO 63150-3238

Traylor Chemical & Supply
PO Box 547937
Orlando, FL 32854-7937

Brian Masumoto, Esq.
Office of the U.S. Trustee
80 Broad Street, 3rd Floor
New York, NY 10004

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

-----X

In re:	Chapter 11
CEDAR CHEMICAL CORPORATION,	Case No. 02-11039 (SMB)
Debtor.	

-----X

In re:	Chapter 11
VICKSBURG CHEMICAL COMPANY,	Case No. 02-11040 (SMB)
Debtor.	

-----X

**ORDER AUTHORIZING JOINT ADMINISTRATION
PURSUANT TO BANKRUPTCY RULE 1015(b)**
(A&F #001-a)

Upon the annexed joint application of Cedar Chemical Corporation and Vicksburg Chemical Company, debtors and debtors-in-possession (collectively, the "Debtors"), for an order of joint administration of the above Chapter 11 cases, pursuant to Rule 1015(b) of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"); and upon the subjoined non-objection of the United States Trustee; and due deliberation having been had; and sufficient cause appearing to me therefor;

NOW, on motion of Angel & Frankel, P.C., attorneys for the Debtors, it is

ORDERED, that the Debtors' Chapter 11 cases be, and they hereby are, consolidated for purposes of administration only pursuant to Bankruptcy Rule 1015(b); and it is further

ORDERED, that the caption for such cases as consolidated under the terms hereof shall read as follows:

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

-----X

In re:

Chapter 11

CEDAR CHEMICAL CORPORATION and
VICKSBURG CHEMICAL COMPANY,

Case Nos. 02-11039 (SMB) and
02-11040 (SMB)

Debtors.

Jointly Administered

-----X

; and it is further

ORDERED, that entries shall be made by the Clerk of the Court on the original docket of Cedar Chemical Corporation and Vicksburg Chemical Corporation, substantially as follows:

Orders dated March 8, 2002 have been entered in the cases of Cedar Chemical Corporation and Vicksburg Chemical Company, consolidating such cases for procedural purposes only and providing for the joint administration of the cases of Cedar Chemical Corporation and Vicksburg Chemical Corporation. All docket entries are to be maintained on the docket of Cedar Chemical Corporation Case No. 02-11039 (SMB).

; and it is further

ORDERED, that the Debtors be, and they hereby are, authorized, though not required, to file consolidated monthly operating reports provided that such consolidated reports fulfill the requirements and guidelines set by the United States Trustee; and it further

ORDERED, that this order shall be signed in multiple originals for purposes of docketing an original order in each of the Chapter 11 cases of the Debtors.

Dated: New York, New York
March 8, 2002

/s/ STUART M. BERNSTEIN
United States Bankruptcy Judge

THE UNDERSIGNED HAS NO OBJECTION
TO ENTRY OF THE FOREGOING ORDER:

OFFICE OF THE UNITED STATES TRUSTEE

Staff Attorney

Document Selection Menu

Multiple Documents

Select the document you wish to view.

Part	Description	
<u>1</u>	Main Document	2 pages
<u>2</u>	Notice of Interim Compensation Service List	5 pages

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

-----X
In re:

Chapter 11

CEDAR CHEMICAL CORPORATION and,
VICKSBURG CHEMICAL COMPANY,

Case No. 02-11039 (SMB) and
02-11040 (SMB)

Debtors.

Jointly Administered
-----X

**AFFIDAVIT OF SERVICE BY
FEDERAL EXPRESS AND EXPRESS MAIL**

STATE OF NEW YORK)
 ss.:
COUNTY OF NEW YORK)

STANLEY WASHINGTON, being duly sworn, deposes and says:

Deponent is not a party to this proceeding, is over 18 years of age and resides at Queens,
New York.

On March 11, 2002, Deponent served:

- A. Notice of Hearing to Consider Motion of the Debtors for Administrative Order Pursuant to Sections 105(a) and 331 of the Bankruptcy Code Establishing Procedures for Interim Compensation and Reimbursement of Expenses of Professionals.
- B. Motion of the Debtors for Administrative Order Pursuant to Sections 105(a) and 331 of the Bankruptcy Code Establishing Procedures for Interim Compensation and Reimbursement of Expenses of Professionals

upon the parties on the attached list by delivering a true copy of same in a wrapper properly sealed and addressed to each party therein named to an authorized agent of Federal Express by overnight mail for receipt on the next business day or by express mail, by depositing a true copy of same in a post-paid, properly addressed wrapper in an official depository under the exclusive care and custody of the United States Postal Service within the State of New York.

/s/ Stanley Washington

STANLEY WASHINGTON

Sworn to before me this

13th day of March, 2002

/s/ Seth Kornbluth

Notary Public, State of New York

884/Cedar Chemical
Notice of Interim Compensation Service List
This is doc #**55744**

PPG Industries, Inc.
Dept at 40177
Atlanta GA 31192-0177.

Hoechst Celanese Chem
PO Box 910550
Dallas TX 75391

Howrey LLP
1299 Pennsylvania Ave NW
Washington DC 20004-2402

El Dorado Chem
PO Box 850429
Oklahoma City OK 73185-0429

Harcross Chemicals
PO Box 13007
Memphis TN 38113

Harcross Chemicals Incorporated
1585 Harbert Ave
Memphis, TN 38104

Greif Bros. Corporation
PO Box 97603
Chicago IL 60678-7603

Metachem Products, LLC
PO Box 13327
Philadelphia PA 19101

Cone Solvents
PO Box 13132
Memphis TN 38113

CMS Marketing Services
PO Box 7247-8311
Philadelphia PA 19170-8311

Stephan Company
PO Box 905520
Charlotte NC 28290-5520

Syngenta
Fernhurst Haslemere
Surrey, GU 27 3JE
England, UK

Rhodia
P.O. Box 101665
Atlanta, GA 30392

Woodruff Elec. Coop Corp.
PO Box 1619
Forrest City AR 72335

Soluta Inc.
Box 75098
Charlotte NC 28275

Praxair Inc.
PO Box 281901
Atlanta GA 30384-1901

Adjunvants Unlimited
P.O. Box 3066
Tulsa, OK 74127

A.H. Marks
Wyke Bradford
West Yorkshire
England, BD 129EJ

Resource Label
P.O. Box 1000
Dept. 487
Memphis, TN 38148

CK Witco Corporation
Dept CH 10642
Palatine IL 60055-0642

R.T. Vanderbitt
Dept. 2133
No. Surburban, IL 60132-2133

Industrial Gas Supp. Corp
Lockbox 200908
Houston, TX 77216-0908

Entergy
PO Box 61825
New Orleans, LA 70161-1825

CSX N/A 075122
PO Box 100235
Atlanta, GA 30384-0235

Mississippi Potash
PO Box 530183
Atlanta, GA 30353-1083

Kansas City Southern Rail
PO Box 412215
Kansas City, MO 64141

Agrivert
1345 Ave of the Americas
New York, NY 10105

IMC Kalium
Box 71279
Chicago, IL 60694-1279

General Amer. Trans. Corp
PO Box 93819
Chicago, IL 60673

Armand Products Company
PO Box 95378
Chicago, IL 60694

Brenntag Southwest Inc.
610 Fisher Road
Longview, TX 75604

GE Capital Railcar Ser. R.
PO Box 74699
Chicago, IL 60675-4699

Air Relief Inc.
PO Box 311
Mayfield, KY 42066

Ohmstede
P.O. Box 4444
New Orleans, LA 70154-4444

Jacobs Eng. Group Inc.
PO Box 651063
Charlotte, NC 28265

Norfolk Southern
P.O. Box 945503
Atlanta, GA 30394-5503

Rex-Rosenlew
P.O. Box 651448
Charlotte, NC 28265-1448

URS / Walk Haydel
File 56080
Los Angeles, CA 90074-6080

Occidental Chemical
P.O. Box 651172
Charlotte, NC 28265-1172

Dow Chemical
P.O. Box 503238
St. Louis, MO 63150-3238

Traylor Chemical & Supply
PO Box 547937
Orlando, FL 32854-7937

Brian Masumoto, Esq.
Office of the U.S. Trustee
80 Broad Street, 3rd Floor
New York, NY 10004

Donald S. Bernstein, Esq.
Davis Polk & Wardwell
450 Lexington Avenue
New York, NY 10017

Document Selection Menu

Multiple Documents

Select the document you wish to view.

Part	Description	
<u>1</u>	Main Document	2 pages
<u>2</u>	Schedule A	1 page
<u>3</u>	Schedule B	1 page

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF NEW YORK**

IN RE: CEDAR CHEMICAL CORPORATION and VICKSBURG CHEMICAL COMPANY, Debtors	Chapter 11 Case Nos. 02-11039 (SMB) 02-11040 (SMB) Jointly Administered
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**NOTICE OF RULE 30(B)(6) DEPOSITION AND
REQUEST FOR PRODUCTION OF DOCUMENTS**

TO: Vicksburg Chemical Company
c/o Bonnie L. Pollack, Esq.
ANGEL & FRANKEL, P.C.
460 Park Avenue
New York, NY 10022-1906

PLEASE TAKE NOTICE that Entergy Mississippi, Inc., pursuant to Rule 30(b)(6) of the Federal Rules of Civil Procedure and Bankruptcy Rules 7030 and 9016, will take the deposition upon oral examination of Vicksburg Chemical Company, beginning at 1:00 p.m. eastern standard time on March 25, 2002 telephonically or at the offices of Duval & Stachenfeld, 300 East 42nd Street, Third Floor, New York, New York 10017. The depositions will be taken before a Notary Public authorized to administer oaths. The deposition will be recorded by stenographic means and the deponent is requested to produce at the deposition all such documents designated on Schedule "A".

If the depositions are not completed on the agreed day, they will continue until completed with such adjournment as to time and place as may be necessary.

Pursuant to Rule 30(b)(6) of the Federal Rules of Civil Procedure, Vicksburg

Chemical Company shall designate one or more officers, directors, employees or other persons who are most familiar with and who will testify on its behalf on the matters listed in Schedule "B" attached.

Respectfully submitted,

By: s/Warren R. Graham
Kirk L. Brett, Esquire
Warren R. Graham, Esquire
DUVAL & STACHENFELD, LLP
Local Counsel for Entergy Mississippi, Inc.
300 East 42nd Street
New York, New York, 10017
Phone: 212-883-1700
Facsimile: 212-883-8883

and-

Eric Lopez Schnabel, Esquire
Jeffery A. Deller, Esquire
KLETT ROONEY LIEBER & SCHORLING
A Professional Corporation
40th Floor, One Oxford Centre
Phone: 412-392-2000
Facsimile: 412-392-2128

Counsel for Entergy Mississippi, Inc.

Date: March 18th, 2002

Schedule "A"

1. All documents that you intend to offer into evidence at any evidentiary hearing on the Debtors' Motion for Order (1) Specifying Adequate Assurance of Payment for Postpetition Utility Services; and (2) Establishing Procedures for Determining Requests for Additional Assurances (the "Utility Motion").
2. All documents constituting, concerning or relating to financial projections of the Debtors, including without limitation any documents referring or relating to the projected cash position of the Debtors over the next 12 months.
3. All documents constituting, concerning or relating to the Debtors' "burn rate" of cash or liquidity, including without limitation, internal memoranda, correspondence, projections of income and expenses, cash collateral budgets, and the like.
4. All documents constituting, concerning or relating to the Debtors' pre-petition and post-petition payment history with Entergy.

Schedule "B"

1. The Debtors' pre-petition and post-petition account and payment history with Entergy.
2. The pre-petition and post-petition finances of the Debtors.
3. The allegations contained in the Debtors' Utility Motion.

Schedule "B"

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2. The pre-petition and post-petition finances of the Debtors.
3. The allegations contained in the Debtors' Utility Motion.

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF NEW YORK**

IN RE: CEDAR CHEMICAL CORPORATION and VICKSBURG CHEMICAL COMPANY, Debtors	Chapter 11 Case Nos. 02-11039 (SMB) 02-11040 (SMB) Jointly Administered
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**NOTICE OF RULE 30(B)(6) DEPOSITION AND
REQUEST FOR PRODUCTION OF DOCUMENTS**

TO: Vicksburg Chemical Company
c/o Bonnie L. Pollack, Esq.
ANGEL & FRANKEL, P.C.
460 Park Avenue
New York, NY 10022-1906

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If the depositions are not completed on the agreed day, they will continue until completed with such adjournment as to time and place as may be necessary.

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Respectfully submitted,

By: s/Warren R. Graham
Kirk L. Brett, Esquire
Warren R. Graham, Esquire
DUVAL & STACHENFELD, LLP
Local Counsel for Entergy Mississippi, Inc.
300 East 42nd Street
New York, New York, 10017
Phone: 212-883-1700
Facsimile: 212-883-8883

and-

Eric Lopez Schnabel, Esquire
Jeffery A. Deller, Esquire
KLETT ROONEY LIEBER & SCHORLING
A Professional Corporation
40th Floor, One Oxford Centre
Phone: 412-392-2000
Facsimile: 412-392-2128

Counsel for Entergy Mississippi, Inc.

Date: March 18th, 2002

Schedule "A"

1. All documents that you intend to offer into evidence at any evidentiary hearing on the Debtors' Motion for Order (1) Specifying Adequate Assurance of Payment for Postpetition Utility Services; and (2) Establishing Procedures for Determining Requests for Additional Assurances (the "Utility Motion").
2. All documents constituting, concerning or relating to financial projections of the Debtors, including without limitation any documents referring or relating to the projected cash position of the Debtors over the next 12 months.
3. All documents constituting, concerning or relating to the Debtors' "burn rate" of cash or liquidity, including without limitation, internal memoranda, correspondence, projections of income and expenses, cash collateral budgets, and the like.
4. All documents constituting, concerning or relating to the Debtors' pre-petition and post-petition payment history with Entergy.

Presentment Date and Time:

April 11, 2002
at 12:00 noon

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

-----X
In re

: Chapter 11

:
CEDAR CHEMICAL CORP, *et. al.*

: Case No. 02-11039 and
11040 (SMB)

:
Debtors.

: (Jointly Administered)
:-----X

**NOTICE OF PRESENTMENT OF STIPULATION VACATING
AUTOMATIC STAY AND OPPORTUNITY FOR HEARING**

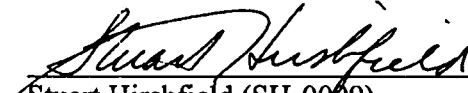
PLEASE TAKE NOTICE that the upon the annexed motion of Syngenta Crop Protection Inc. for an order pursuant to section 362(d) of the United States Bankruptcy Code, 11 U.S.C. §§ 101 *et seq.* (the "Bankruptcy Code") and Rule 4001(a) of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules") approving a Stipulation Vacating the Automatic Stay ("Stipulation"), the undersigned will present the attached proposed order to the Honorable Stuart M. Bernstein, at the United States Bankruptcy Court, One Bowling Green, Sixth Floor, New York, New York 10004 for signature on April 11, 2002 at 12:00 noon.

PLEASE TAKE FURTHER NOTICE that unless a written objection to the proposed order, with proof of service, is filed with the Clerk of the Court and a courtesy copy is delivered to the Bankruptcy Judge's chambers at least three days before the date of presentment, there will not be a hearing and the order may be signed.

PLEASE TAKE FURTHER NOTICE that if a written objection is timely filed, the Court will notify the moving and objecting parties of the date and time of the hearing and of the moving party's obligation to notify all other parties entitled to receive notice. The moving and objecting parties are required to attend the hearing, and failure to attend in person or by counsel may result in relief being granted or denied upon default.

Dated: New York, New York
March 25, 2002

DEWEY BALLANTINE LLP


Stuart Hirshfield (SH-0099)

Attorneys for Syngenta Crop Protection,
Inc.

1301 Avenue of the Americas
New York, New York 10019
(212) 259-8000

To: The parties on the attached service list

Presentment Date and Time:

April 11, 2002
at 12:00 noon

DEWEY BALLANTINE LLP
1301 Avenue of the Americas
New York, New York 10019
(212) 259-8000
Stuart Hirshfield (SH-0099)
John Kibler (JK-3190)

Attorneys for Syngenta Crop Protection, Inc.

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

-----X	:	
In re	:	Chapter 11
	:	
CEDAR CHEMICAL CORP, <i>et. al.</i>	:	Case No. 02-11039 and 11040 (SMB)
	:	
Debtors.	:	(Jointly Administered)
-----X	:	

**MOTION FOR ORDER APPROVING
STIPULATION VACATING AUTOMATIC STAY**

TO THE HONORABLE STUART M. BERNSTEIN,
CHIEF UNITED STATES BANKRUPTCY JUDGE:

Syngenta Crop Protection, Inc., successor-in-interest to Novartis Crop Protection, Inc. (collectively "Syngenta") hereby submits this motion (the "Motion") seeking entry of an order (the "Proposed Order") pursuant to section 362(d) of the United States Bankruptcy Code, 11 U.S.C. §§ 101 *et seq.* (the "Bankruptcy Code") and Rule 4001(d) of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), approving a stipulation vacating the automatic stay (the "Stipulation"), attached as

Exhibit "A" to the Proposed Order, and in support thereof, respectfully represents as follows:

Procedural Background

1. On March 8, 2002 (the "Petition Date"), Cedar Chemical Corporation ("Cedar") and Vicksburg Chemical Company (collectively, the "Debtors") filed voluntary petitions for relief under chapter 11 of the Bankruptcy Code. The Debtors operate their businesses as debtors-in-possession pursuant to 11 U.S.C. §1108.

Jurisdiction and Venue

2. The Court has subject matter jurisdiction over this Motion under 28 U.S.C. § 1334(b) and the standing order for reference of the District Court. The matter is a core proceeding under 28 U.S.C. § 157(b)(1), (b)(2)(A), (b)(2)(G) and (b)(2)(O).

3. Venue for this Motion is proper in this District and before this Court under 28 U.S.C. §§ 1408 and 1409.

4. The statutory authority for relief requested herein is contained in section 362(d) of the United States Bankruptcy Code.

Facts

5. Syngenta is engaged in the business of developing, manufacturing, and selling crop protection chemicals. Syngenta developed metolachlor as a broad spectrum grass herbicide, and first registered it with the U.S. Environmental Protection Agency ("EPA") in 1976, and subsequently developed a more environmentally-friendly herbicide known as S-metolachlor, which Syngenta registered with EPA in 1997. The

EPA conditioned the registration of S-metolachlor upon Syngenta's express commitment to phase out metolachlor, which it did in September 1999.

6. On January 12, 2000 and April 9, 2001, Cedar filed with EPA applications for metolachlor registration. On March 2, 2000 and July 2, 2001, Syngenta filed with EPA petitions to deny Cedar's metolachlor registration applications.

7. On March 6, 2002, Syngenta filed suit against EPA in the United States District Court for the Middle District of North Carolina, ("District Court"), Civil Action No. 1:02 CV 00171, for injunctive and declaratory relief to prevent the issuance of a metolachlor registration to any party, including Cedar (the "EPA Suit"). Syngenta obtained a temporary restraining order, which was subsequently dissolved on March 15, 2002.

8. On March 20, 2002, EPA granted Cedar's second application to register the active ingredient metolachlor and two related end-use registrations, and denied Syngenta's petitions seeking a denial of those applications.

Relief Sought

9. Syngenta and Cedar hereby seek an order approving a stipulation pursuant to which Cedar has consented (a) to the automatic stay being lifted and vacated to allow Syngenta to seek declaratory relief and injunctive relief in the District Court and Fourth Circuit Court of Appeals to enjoin the effectiveness of EPA's issuance of the registrations of the active ingredient metolachlor and metolachlor end-use products (collectively, "Syngenta's Request for Injunctive Relief"), including the naming of Cedar as a person needed for just adjudication in such a lawsuit under Federal Rule of Civil

Procedure 19(a); and (b) not to sell or manufacture metolachlor pending a decision by the District Court on a motion for a preliminary injunction to be filed by Syngenta.

10. Cedar has determined that the Syngenta's Request for Injunctive Relief will have minimal impact on the administration of Cedar's Bankruptcy estate and thus relief from the automatic stay is appropriate under the circumstances. Furthermore, the consent to not sell or manufacture metolachlor is premised on Syngenta's representation that it will file such motion for a preliminary injunction no later than seven (7) days after entry of a final order approving the Stipulation.

Memorandum of Law

11. Pursuant to Local Bankruptcy Rule for the Southern District of New York 9013-1(b), because there are no novel issues of law presented herein, Syngenta respectfully requests that the Court waive the requirement that Syngenta file a memorandum of law in support of this application.

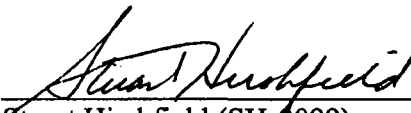
No Prior Request

12. No previous application for the relief sought herein has been made to this or any other court.

WHEREFORE, Syngenta respectfully requests this Court enter an order, substantially in the form of the Proposed Order attached hereto as Exhibit "A", approving the Stipulation, and granting such other and further relief as this Court deems just and appropriate.

Dated: March 25, 2002
New York, New York

DEWEY BALLANTINE LLP

By: 
Stuart Hirshfield (SH-0099)
John Kibler (JK-5190)

1301 Avenue of the Americas
New York, New York 10019
(212) 259-8000

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

-----X	:	
In re	:	Chapter 11
	:	
CEDAR CHEMICAL CORP, <i>et. al.</i>	:	Case No. 02-11039 and
	:	11040 (SMB)
	:	
Debtors.	:	(Jointly Administered)
	:	
-----X		

**ORDER APPROVING STIPULATION
VACATING AUTOMATIC STAY**

Upon the motion of Syngenta Crop Protection, Inc., successor-in-interest to Novartis Crop Protection, Inc. (collectively "Syngenta") for entry of an order approving a stipulation vacating the automatic stay (the "Stipulation"), attached as Exhibit "A" hereto; the Court having considered the Motion; and good and sufficient cause appearing therefore;

IT IS HEREBY ORDERED that the Motion is granted in all respects.

UNITED STATES BANKRUPTCY JUDGE

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

-----X	
	:
In re	Chapter 11
	:
CEDAR CHEMICAL CORP, <i>et. al.</i>	Case No. 02-11039 and 11040 (SMB)
	:
Debtors.	(Jointly Administered)
	:
-----X	

STIPULATION VACATING AUTOMATIC STAY

IT IS HEREBY STIPULATED AND AGREED, by and between Cedar Chemical Corporation ("Cedar"), debtor and debtor-in-possession, and Syngenta Crop Protection, Inc., successor-in-interest to Novartis Crop Protection, Inc. (collectively "Syngenta") as follows:

WHEREAS, on March 8, 2002, Cedar and Vicksburg Chemical Company (collectively, the "Debtors") filed voluntary petitions for relief under chapter 11 of the Bankruptcy Code; and

WHEREAS, the Debtors operate their businesses as debtors-in-possession pursuant to 11 U.S.C. §1108; and

WHEREAS, Syngenta is engaged in the business of developing, manufacturing, and selling crop protection chemicals. Syngenta contends that it developed metolachlor as a broad spectrum grass herbicide, and first registered it with the U.S. Environmental Protection Agency ("EPA") in 1976, and subsequently developed a more environmentally-friendly herbicide known as *S*-metolachlor, which Syngenta registered with EPA in 1997. Syngenta contends that EPA conditioned this registration

upon Syngenta's express commitment to phase out metolachlor, which it did in September 1999; and

WHEREAS, on January 12, 2000 and April 9, 2001, Cedar filed with EPA applications for metolachlor registration; and

WHEREAS, on March 2, 2000 and July 2, 2001, Syngenta filed with EPA petitions to deny Cedar's metolachlor registration applications; and

WHEREAS, on March 6, 2002, Syngenta filed suit against EPA in the United States District Court for the Middle District of North Carolina, ("District Court"), Civil Action No. 1:02 CV 00171, for injunctive and declaratory relief to prevent the issuance of a metolachlor registration to any party, including Cedar (the "EPA Suit"). Syngenta obtained a temporary restraining order, which was subsequently dissolved on March 15, 2002; and

WHEREAS, on March 20, 2002, EPA granted Cedar's second application to register the active ingredient metolachlor and two related end-use registrations, and denied Syngenta's petitions seeking a denial of those applications; and

WHEREAS, Syngenta desires to seek declaratory and injunctive relief in the District Court and possibly the United States Court of Appeals for the Fourth Circuit ("Court of Appeals") to enjoin the effect of the foregoing EPA registrations ("Metolachlor Litigation"); and

WHEREAS, Cedar has determined that the Metolachlor Litigation will have minimal impact on the administration of the Debtor's bankruptcy estates and that relief from the automatic stay is appropriate under these circumstances.

NOW, THEREFORE, it is agreed by and between Cedar and Syngenta as follows:

1. Cedar hereby consents to the automatic stay being lifted and vacated to allow Syngenta to seek declaratory relief and injunctive relief in the District Court and Court of Appeals to enjoin the effectiveness of EPA's issuance of the registrations of the active ingredient metolachlor and metolachlor end-use products (collectively, "Syngenta's Request for Injunctive Relief"), including the naming of Cedar as a person needed for just adjudication in such a lawsuit under Federal Rule of Civil Procedure 19 (a);

2. In order to facilitate the orderly resolution of Syngenta's Request for Injunctive Relief, Cedar consents not to sell or manufacture metolachlor pending a decision by the District Court on a motion for a preliminary injunction to be filed by Syngenta. This consent is premised on Syngenta's representation that it will file such motion for a preliminary injunction no later than seven (7) days after entry of a final order approving this stipulation.

Dated: New York, New York
March 25, 2002

ANGEL & FRANKEL, P.C.

/s/
Joshua Angel (JA-3288)

Attorneys for the Debtors

460 Park Avenue
New York, New York 10022
(212) 752-8000

DEWEY BALLANTINE LLP

/s/
Stuart Hirshfield (SH-0099)

Attorneys for Syngenta Crop Protection,
Inc.

1301 Avenue of the Americas
New York, New York 10019
(212) 259-8000

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

--X

In re:

Chapter 11

CEDAR CHEMICAL CORPORATION,

Case No. 02-11039 (SMB)

Debtor.

--X

In re:

Chapter 11

VICKSBURG CHEMICAL COMPANY,

Case No. 02-11040 (SMB)

Debtor.

--X

**ORDER (1) AUTHORIZING EMERGENCY USE OF CASH COLLATERAL,
(2) PROVIDING FOR ADEQUATE PROTECTION, (3) SCHEDULING
INTERIM AND FINAL HEARINGS,
AND (4) GRANTING RELATED RELIEF**

(A&F #004-a)

Upon the annexed application dated March 8, 2002 (the "Application") of Cedar Chemical Corporation ("Cedar") and Vicksburg Chemical Company ("Vicksburg"; together with Cedar, the "Debtors"), debtors and debtors-in-possession herein, seeking the entry of an order, pursuant to Sections 361, 363(c) and (e) of Title 11 of the United States Code (the "Bankruptcy Code") and Rule 4001(b) of the Federal Rules of Bankruptcy Procedure authorizing on an emergency basis pending the Interim Hearing (as defined in the Application), the Debtors' use of "cash collateral", as that term is defined in Section 363(a) of the Bankruptcy Code (the "Cash Collateral") pursuant to the terms of, and in accordance with,

the proposed Interim Order: (1) Authorizing Use of Cash Collateral, (2) Providing for Adequate Protection, (3) Scheduling Final Hearing, and (4) Granting Related Relief (the "Interim Order") attached hereto; and

Notice of the Application having been given to counsel for the Administrative Agent under the Credit Agreement (as defined in the Application) on behalf of the Lender and the Office of the United States Trustee, and this Order being entered with the consent of the Lender, and no previous application for similar relief having been made; and upon all proceedings heretofore had herein; and

IT APPEARING that the Debtors require the immediate, emergency and limited use of Cash Collateral under the terms of the Interim Order to avoid potentially immediate and substantial harm; and

IT APPEARING that unless immediate relief is granted and interim use of the Cash Collateral is obtained, the Debtors will be unable to effectively operate their businesses, the Debtors' ability to propose a Chapter 11 plan and carry on their affairs under the auspices of Chapter 11 of the Bankruptcy Code will be immediately and irreversibly jeopardized, and the Debtors, their creditors and estates will suffer immediate and irreparable harm and injury; it is

ORDERED, that pursuant to Bankruptcy Rule 4001(b), the Interim Hearing with respect to the request for authorization to use Cash Collateral and the other relief requested by the Debtors in the Application will be held before the Honorable Stuart M. Bernstein, United States Bankruptcy Judge, on the 14th day of March, 2002 at 2:00 o'clock in the afternoon of that day, or as soon thereafter as counsel can be heard, in courtroom 723 at the United States Bankruptcy Court, Southern District of New York, Alexander Hamilton Custom House, One Bowling Green, New York, NY 10004; and it is further

ORDERED, that pursuant to Bankruptcy Rule 4001(b), the Final Hearing with respect to the request for authorization to use Cash Collateral and the other relief requested by the Debtors in the

Application will be held before the Honorable Stuart M. Bernstein, United States Bankruptcy Judge, on the 26th day of March, 2002 at 10:30 o'clock in the forenoon of that day, or as soon thereafter as counsel can be heard, in courtroom 723 at the United States Bankruptcy Court, Southern District of New York, Alexander Hamilton Custom House, One Bowling Green, New York, NY 10004; and

IT FURTHER APPEARING that pending the Interim Hearing, the Debtors have insufficient unencumbered assets or cash reserves and require the immediate use of Cash Collateral to meet certain necessary costs and expenses as provided in the Interim Order; it is therefore further

ORDERED, that pending the Interim Hearing, the Debtors are hereby authorized to utilize Cash Collateral as provided for in the Interim Order solely for the purpose of paying Pre-Petition Payroll and Taxes (as defined in the Application) **SMB 3/8/02 and other essential operating expenses set forth in and in accordance with the Budget in an aggregate amount not to exceed \$2,500,000 up to \$100,000.00**; and it is further

ORDERED that the liend and protections of the claims of the Pre-petition Secured Lenders provided for in the proposed Interim Order are hereby approved and incorporated by reference as if set forth herein; and it is further

ORDERED, that the Debtors shall serve a copy of this Order, the Interim Order and the Application upon (i) Davis Polk & Wardwell, counsel for the Administrative Agent on behalf of the Lender; (ii) the Office of the United States Trustee for the Southern District of New York; (iii) each of the Debtors' twenty (20) largest unsecured creditors; and (iv) all entities who have filed and served upon Debtors' counsel a notice of appearance and request to be served with notice in these proceedings, by personal delivery, U.S. Postal Service Express Mail or other similar overnight delivery service on or before March

8, 2002, which shall be deemed good and sufficient service and notice of this Order, the Interim Hearing and the Final Hearing to be held pursuant thereto; and it is further

ORDERED, that any and all objections to the relief to be requested at the Interim Hearing shall be made in writing, shall state with particularity the grounds therefor, and shall be filed with this Court, with a copy delivered to the Chambers of the undersigned, and served upon and received by (i) Angel & Frankel, P.C., 460 Park Avenue, New York, New York 10022-1906, Attn: Joshua J. Angel, Esq. and Bonnie L. Pollack, Esq.; and (ii) Davis Polk & Wardwell, 450 Lexington Avenue, New York, NY 10017, Attn: Donald S. Bernstein, Esq. and Stephen H. Case, Esq., on or before 10:30 a .m. E.S.T. on March 14, 2002; and it is further

ORDERED, that any and all objections to the relief to be requested at the Final Hearing shall be made in writing, shall state with particularity the grounds therefor, and shall be filed with this Court, with a copy delivered to the Chambers of the undersigned, and served upon and received by (i) Angel & Frankel, P.C., 460 Park Avenue, New York, New York 10022-1906, Attn: Joshua J. Angel, Esq. and Bonnie L. Pollack, Esq.; and (ii) Davis Polk & Wardwell, 450 Lexington Avenue, New York, NY 10017, Attn: Donald S. Bernstein, Esq. and Stephen H. Case, Esq. on or before 12:00 p .m. E.S.T. on March 25, 2002; and it is further

ORDERED, that proof of service as set forth above must be filed by March 14, 2002; and it is further

ORDERED, that the Interim Hearing and the Final Hearing may be adjourned without further notice other than by announcement of such adjournment in open court, or on the court's records on the date scheduled for such hearings, and parties may contact counsel for the Debtors to confirm whether the scheduled hearings proceed as scheduled.

Dated: New York, New York
March 8, 2002

/s/ STUART M. BERNSTEIN
UNITED STATES BANKRUPTCY JUDGE

THE UNDERSIGNED HEREBY CONSENTS
TO ENTRY OF THE FOREGOING ORDER:

Counsel for the Administrative Agent on
behalf of the Lender

By: _____

ANGEL & FRANKEL, P.C.
Attorneys for Cedar Chemical Corporation
and Vicksburg Chemical Company
Debtors and Debtors-in-Possession
460 Park Avenue
New York, NY 10022-1906
(212) 752-8000
Joshua J. Angel, Esq. (JA-3288)
William M. Kahn, Esq. (WK-9254)

Presentment Date: August 11, 2003
Time: 12:00 p.m.

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

-----X
In re: Chapter 11

CEDAR CHEMICAL CORPORATION and, Case No. 02-11039 (SMB) and
VICKSBURG CHEMICAL COMPANY, 02-11040 (SMB)

Debtors. Jointly Administered
-----X

**NOTICE OF PRESENTMENT OF STIPULATION AND ORDER
SETTLING PREFERENCE CLAIM AGAINST SUNCO CARRIERS, LTD.**

PLEASE TAKE NOTICE that the undersigned will present the annexed Stipulation and order (the "Proposed Order") dated June 3, 2003 for signature to the Honorable Stuart M. Bernstein, Chief United States Bankruptcy Judge, on August 11, 2003 at 12:00 p.m.

PLEASE TAKE FURTHER NOTICE that objections, if any, to the Proposed Order must be made in writing and received in the Chambers of the Honorable Stuart M. Bernstein, Chief United States Bankruptcy Judge, United States Bankruptcy Court, One Bowling Green, Room 729, New York, New York 10004 and by the undersigned and shall be filed with the Clerk of the Bankruptcy Court in accordance with the Standing General Order of the Bankruptcy Court for the Southern District of New York entered on June 26, 1997, establishing procedures for

electronic filing, no later than 11:30 a.m. on August 11, 2003. Unless objections are received by that time, the Proposed Order may be signed and entered without a hearing.

PLEASE TAKE FURTHER NOTICE that if a written objection is timely filed, the Court will notify the moving and objecting parties of the date and time of the hearing and the moving party's obligation to notify all other parties entitled to receive notice. The moving and objecting parties are required to attend the hearing, and failure to attend in person or by counsel may result in relief being granted or denied upon default.

Dated: New York, New York
July 28, 2003

ANGEL & FRANKEL, P.C.
Attorneys for Cedar Chemical Corporation and
Vicksburg Chemical Corporation
Debtors and Debtors-in-Possession

By: /s/William M. Kahn
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To: The Office of the United States Trustee
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Counsel for J.P. MorganChase, as Agent to the Pre-Petition Secured Creditors

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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In the Matter
of
CEDAR CHEMICAL CORPORATION,
Debtor.

Case No.
02-B-11040

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March 14, 2002

United States Custom House
One Bowling Green
New York, New York 10004

CASH COLLATERAL ORDER.

B E F O R E:

HON. STUART M. BERNSTEIN,

Bankruptcy Judge.

A P P E A R A N C E S :

1 CEDAR CHEMICAL CORPORATION

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3 ANGEL & FRANKEL, ESQS.

4 Attorneys for the Debtor

5 460 Park Avenue

6 New York, New York 10022

7

8 BY: BONNIE L. POLLACK, ESQ., of Counsel

9 BY: FREDERICK E. SCHMIDT, ESQ., of Counsel

10

11

12 DAVIS POLK & WARDWELL, ESQS.

13 Attorneys for the Agent

14 450 Lexington Avenue

15 New York, New York 10017

16

17 BY: MARSHALL HEUBNER, ESQ., of Counsel

18 BY: BENJAMIN S. KAMINETZKY, ESQ., of

19 Counsel

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25 A P P E A R A N C E S (Continued) :

1 CEDAR CHEMICAL CORPORATION

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3 KLETT ROONEY LIEBER & SCHORLING, P.C.

4 Attorneys for Entergy

5 1000 West Street, Suite 1410

6 P.O. Box 1397

7 Wilmington, Delaware 19899

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9 BY: ERIC LOPEZ SCHNABEL, ESQ., of Counsel

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3 P R O C E E D I N G S

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5 MS. POLLACK: Good Afternoon, Bonnie
6 Pollack, Angel & Frankel for the debtor, Cedar
7 Chemical and Vicksburg Chemical.

8 THE COURT: No one from the lender is
9 here.

10 MR. HEUBNER: Yes, Your Honor, Marshall
11 Heubner, H-U-E-B-N-E-R, the law firm of Davis Polk &
12 Wardwell on behalf of JP Morgan Chase bank.

13 MS. POLLACK: We are here for the
14 purpose of the entry of the interim order authorizing
15 the use of cash collateral.

16 On Friday, the 8th, Your Honor entered
17 an emergency order. We scheduled today's hearing and
18 also scheduled the final hearing for March 26th at
19 10:30. This is for the interim period between now
20 and the 26th.

21 THE COURT: How much of the 2.5 million
22 did the debtor spend?

23 MS. POLLACK: How much did they, I am
24 sorry?

25 THE COURT: You were authorized to use

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2 up to 2.5 million, correct?

3 MS. POLLACK: Right.

4 THE COURT: How much did you use?

5 MS. POLLACK: About 1.45 million.

6 THE COURT: How much additional funds
7 are you seeking now?

8 MS. POLLACK: We are seeking to use the
9 total 2 -- I am sorry, 3 million through the week of
10 March 22nd.

11 THE COURT: So, you are seeking
12 authorization for an additional 500,000 or an
13 additional 3 million?

14 MS. POLLACK: No, an additional 500,000.

15 Essentially, we are seeking the right to
16 use whatever budget payments would be required
17 between now and the final hearing.

18 I do have a representative of the debtor
19 here available to give testimony. I can proffer his
20 testimony.

21 THE COURT: Why don't you go ahead?

22 MS. POLLACK: Mr. John Gerella is here
23 on behalf of the debtor. Mr. Gerella is the vice
24 president of Vicksburg and the assistant vice
25 president of Cedar.

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2 Mr. Gerella would testify that the
3 debtor's filed bankruptcy because of the insufficient
4 liquidity and cash resources to continue to operate
5 and as a result of decreased sales and increased
6 costs.

7 Prior to the filing, the debtor made an
8 attempt to obtain working capital to continue to
9 operate by approaching their existing bank group.
10 They were declined continued financing, the result of
11 which was the bankruptcy filing.

12 The debtors are not currently operating
13 in production, but they are in what is called a warm,
14 idle mode; they are securing the property, plant and
15 equipment to avoid any physical harm to the property,
16 plant and equipment.

17 They are providing necessary maintenance
18 to ensure that the equipment that they have is
19 presentable and in working order in the event of a
20 sale of the equipment.

21 They are keeping their machines warm and
22 ready for production, if needed.

23 Because they are in this warm, idle
24 mode, they have decreased utility consumption
25 significantly and have also reduced their work force

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2 by 70 percent and kept only the people necessary to
3 affect normal wind down.

4 Because of this, there are cash needs
5 during this warm, idle period.

6 Mr. Gerella would testify that he was
7 actively involved in the negotiations of the
8 collateral order and the budget, that he presented
9 the budget to the bank group representatives and met
10 several times with them and had numerous
11 conversations before they arrived at a budget that
12 everybody was comfortable with.

13 He would testify that he is familiar
14 with the credit agreement modifications and the
15 ancillary documents under which the banks made loans
16 to the debtor.

17 That to the best of his knowledge, \$83.2
18 million plus interest since February 1st, 2002 is
19 owed to the banks. That is owed by Cedar as the
20 borrower and Vicksburg as the guarantor.

21 That a security interest in all assets
22 of Cedar and Vicksburg were granted to the bank in
23 connection with those loans. And that to the best of
24 his knowledge, there are no unencumbered assets.

25 Mr. Gerella would then go through the

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2 budget, line item by line item to explain what the
3 items are, and what the need for those items are.

4 Your Honor, I am happy to do that now or
5 we can wait for the final hearing on that.

6 THE COURT: I just want to make sure
7 that the debtor is budgeted for the payments of the
8 administrative expenses and its accruing, so that
9 employees are going to be paid all the costs of
10 essentially preserving the collateral, are going to
11 be paid --

12 MS. POLLACK: Yes, in the budget, there
13 are payroll line items, which are the wages and the
14 benefits costs for the remaining employees.

15 There is also a line item for plant
16 maintenance, security and support. That is all the
17 operating costs, utilities at reduced costs,
18 supplies, repair, security for the property, plant,
19 equipment.

20 There is a priority line item which is
21 the amount of accrued and unpaid wages and vacation
22 up to the \$4,650 cap prepetition, which has already
23 been approved.

24 THE COURT: Is that the 952?

25 MS. POLLACK: I am sorry.

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2 THE COURT: The 952, where is that? I
3 am looking at the budget.

4 MS. POLLACK: It is the second, yes, the
5 952, the second line down.

6 THE COURT: Okay, has the \$1 million
7 been paid in severance?

8 MS. POLLACK: That has been paid. Mr.
9 Gerella would testify at length as to the reasons
10 that the severance was agreed to by the banks at 85
11 percent of what they would have otherwise been paid
12 had there not been a filing.

13 There are significant security concerns
14 here. These are plants with volatile and potentially
15 dangerous, environmentally damaging chemicals and
16 there have, had already been certain threats by
17 employees, and everybody thought it was a prudent
18 exercise of discretion to pay those claims. And, in
19 fact, management had stated that they would no longer
20 continue to work at the debtor's premises without the
21 payment of those claims.

22 As a result of arduous negotiations with
23 the banks, the banks agreed to allow payment of 85
24 percent of what would otherwise have been authorized
25 under the existing plan of the debtors.

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2 THE COURT: Was this severance payment
3 arising from a postpetition discharge?

4 MS. POLLACK: Postpetition discharge,
5 yes.

6 There are also reserves for insurance in
7 the budget. The existing policy year expires on
8 March 31. New coverage will be needed at that time.
9 There were preliminary estimates for the premium
10 costs that were obtained from the debtor's insurance
11 broker, who advised us that the market, the insurance
12 market is presently in tremendous flux, and that all
13 companies are faced with stiff increases in premiums,
14 not simply debtors and not simply chemical companies.

15 That number should be fixed within a
16 couple of weeks, but there is an estimate of
17 \$2,225,000 for the payment of the insurance reserves,
18 and there are other reserves also, contingency costs.

19 Mr. Gerella would also explain to the
20 Court how the revenues were estimated under the
21 budget.

22 He would then describe the mechanism for
23 making payments of expenses and payments to the bank
24 under the cash collateral order.

25 Essentially, payments will continue to

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2 go to the lock boxes that had been established
3 prepetition, to which their account the debtor sends
4 money into.

5 There will be daily sweeps to an expense
6 account that will be held by JP Morgan and Chase.

7 The debtors will provide JP Morgan and
8 Chase as administrative agent with a weekly statement
9 of remaining budget amounts. Any amounts in excess
10 of 110 percent of the remaining budget amounts will
11 then be swept from the expense account to the
12 distribution account for payment to the banks in
13 accordance with the credit agreement.

14 Mr. Gerella would testify that all of
15 the terms of the cash collateral order were
16 negotiated, and that they were all required by the
17 banks in order to use their cash collateral.

18 He would testify that if the banks did
19 not allow the debtors to use cash collateral, they
20 would be in a position where they would have to lay
21 off all remaining employees, close the gates, shut
22 down, and in the debtor's belief, this would result
23 in a significant deterioration of the asset value and
24 a risk of environmental damage if they can't protect
25 the assets.

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2 And lastly, Mr. Gerella would testify
3 that he attempted to obtain financing from other
4 sources, the debtors have attempted to obtain
5 financing from other sources. That they could have
6 possibly obtained a refinancing back in the fourth
7 quarter, but due to fourth quarter performance, they
8 would never have been able to close, nor would the
9 bank have been able to close on such a transaction.

10 The lenders, the bank groups have
11 obviously consented to the use of cash collateral in
12 accordance with the terms.

13 Some of the other terms are the adequate
14 protection that is being given to the bank. They are
15 obtaining a lien in postpetition collateral and a
16 superpriority 507(b) claim, to the extent of the
17 diminution of the value of the prepetition
18 collateral, and they are obtaining certain fees and
19 expenses under the credit agreement which are deemed
20 included in the budget.

21 There are carve-out provisions in the
22 interim order. There are provisions that will allow
23 the Creditors Committee to be formed, and there is an
24 organizational meeting today, 60 days from the
25 retention of their counsel to investigate the bank's

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2 liens and take any actions with respect to their
3 liens that they deem appropriate.

4 No senior liens can be granted against
5 the assets.

6 THE COURT: I am not that concerned
7 right now about how much time the committee has. We
8 will deal with that at the final hearing.

9 MS. POLLACK: There is a significant
10 financial reporting that is being done by the debtors
11 to the bank group for the interim order, and,
12 essentially, we need, even though we are in a warm,
13 idle mode, we clearly need the use of cash
14 collateral. This is, in our belief, a very fair
15 agreement on both the debtor's side and the bank's
16 side.

17 We need to keep our essential employees
18 on in order to do this. We are keeping our
19 utilities, you said at a minimum, but we still need
20 this money to operate. Without it, there will be no
21 value here for anyone, and we believe that the use of
22 cash collateral in accordance with the interim order
23 is clearly in the best interest of the estate, and we
24 would ask that the interim order be signed.

25 THE COURT: Is there anybody who wants

1 CEDAR CHEMICAL CORPORATION

2 to be heard or wants to cross-examine the witness
3 whose testimony was proffered?

4 (No response.)

5 THE COURT: The record should reflect
6 there is no response. I will accept the proffer.

7 MR. HEUBNER: Good afternoon, Marshall
8 Heubner, Davis Polk, just to take one minute to
9 highlight this for the Court, we made the various
10 changes that had been proposed. As an aside, we did
11 not put in any of the things that we promised were
12 not in the last time.

13 On page 7 in paragraph 25E --

14 THE COURT: I don't have a copy of the
15 new order.

16 MS. POLLACK: Would you like me to bring
17 it?

18 THE COURT: Yes, please, thanks.

19 MR. HEUBNER: In paragraph 25E, Your
20 Honor, the Trustee had asked that instead of the
21 employment of an examiner being a potential
22 triggering event, that it references an examiner with
23 expanded powers. We are fine with that change, and I
24 am happy to put it in.

25 THE COURT: I am not sure what that

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2 means? What is an examiner with extended powers as
3 opposed to a final examiner?

4 MR. HEUBNER: If I can, because I don't
5 think they are terms of art, sometimes Courts appoint
6 examiners merely to investigate limited issues. They
7 have no ability to actually operate the debtor,
8 commence lawsuits or the like, not really a Trustee
9 but merely an investigator. And I think that they
10 are viewed such that if the Court appoints somebody
11 merely to investigate, that should not be the type of
12 event, similar to the appointment of a Trustee that
13 would fundamentally change our bar date as to the
14 operation of the debtor.

15 THE COURT: Which paragraph is this?

16 MR. HEUBNER: This is on page 7 in
17 paragraph 5E in Roman F4, the appointment of a
18 Trustee or an examiner, and now it reads the Trustee
19 of, the appointment of a Trustee or examiner with
20 expanded power.

21 THE COURT: Looking at page 7, I don't
22 see it.

23 MS. POLLACK: It was brought onto our
24 system. It might have repaginated. It's at the top
25 of page 7, third line, Roman M4.

1 CEDAR CHEMICAL CORPORATION

2 THE COURT: So, I see, okay.

3 MR. HEUBNER: I can't promise, Your
4 Honor, that I will hit ever change, but the ones that
5 the Trustee and others were concerned about, and the
6 Court, I just want to let people know that we had
7 changed everything we said we would.

8 Your Honor had expressed a concern at
9 the emergency hearing that the order in paragraph 10
10 (b) not -- in some sense, directed what any dismissal
11 orders the Court might have entered have to say.
12 But, rather, I have changed it, we have changed it to
13 the formulation, I think, Your Honor has requested,
14 which is that if an order dismissing the cases is
15 entered, the following state of affairs will
16 nonetheless continue to hold true.

17 THE COURT: Okay.

18 MR. HEUBNER: I believe that change will
19 be constant, if that is what the Court's request was.

20 In paragraph 12, we both, at the request
21 of the Trustee, although we understand that there may
22 be more discussions coming, but we extended the time
23 of the committee to 60 days.

24 THE COURT: Yes, I will hear from the
25 committee at the final hearing.

1 CEDAR CHEMICAL CORPORATION

2 MR. HEUBNER: And the Court has
3 impressed that it be in all instances from the date
4 counsel was retained, and we changed that as well.

5 It is still only the diminution value.
6 There is still no 726(c) override.

7 And then --

8 THE COURT: No final, no 506 waiver?

9 MR. HEUBNER: No 506(c), no potato
10 chips. It is not there, just what we said.

11 Finally, we do understand having checked
12 with our client that JP Morgan and Chase bank is an
13 authorized depository under whatever guidelines there
14 are, and whatever there is in the U.S. Trustee's
15 Southern District guidelines.

16 Among other things, we have \$2.5 billion
17 of collateral, and \$500,000 in this district alone.

18 THE COURT: Take a charge for Enron?

19 MR. HEUBNER: So, concerning that that
20 is where I spent my morning, I am not sure I should
21 comment.

22 THE COURT: Okay.

23 MR. HEUBNER: There may be other
24 changes. I am not representing that that was an
25 order, a black lined, but I really just wanted to

1 CEDAR CHEMICAL CORPORATION

2 give people comfort that the things that were asked
3 of us, I believe they are all addressed in this
4 slightly revised form.

5 THE COURT: Okay, does anybody else want
6 to be heard?

7 (No response.)

8 THE COURT: I am satisfied with the
9 offer of proof that certainly the interim order, the
10 execution of the interim order is necessary to make
11 the debtor more stable, I guess, in the payment of
12 the assets. So, I will sign the order.

13 Have you already given notice of the
14 final hearing?

15 MS. POLLACK: Yes, notice was given. It
16 was included in the emergency order, the date for the
17 notice of the final hearing.

18 THE COURT: Okay, good enough.

19 MS. POLLACK: Can I hand this up please?

20 THE COURT: Sure.

21 MS. POLLACK: Thank you.

22 THE COURT: Thank you.

23 THE COURT: Okay, I have signed the
24 other, thanks.

25 MS. POLLACK: Thank you, Your Honor.

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2 Have a good afternoon. We will see you on the 26th.

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C E R T I F I C A T E

STATE OF NEW YORK)
) ss.:
COUNTY OF NEW YORK)

I, SYLANDIA BROCK, a Shorthand
Reporter and Notary Public within and for
the State of New York, do hereby certify:

That I reported the proceedings in
the within entitled matter, and that the
within transcript is a true record of such
proceedings.

I further certify that I am not
related, by blood or marriage, to any of
the parties in this matter and that I am
in no way interested in the outcome of this
matter.

IN WITNESS WHEREOF, I have hereunto
set my hand this 29th day of March,
2002.


SYLANDIA BROCK

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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In re: Chapter 11
CEDAR CHEMICAL CORPORATION, Case No. 02-11039 (SMB)
Debtor.

-----X

In re: Chapter 11
VICKSBURG CHEMICAL COMPANY, Case No. 02-11040 (SMB)
Debtor.

-----X

**↑FINAL ORDER (1) AUTHORIZING USE OF CASH
COLLATERAL, (2) PROVIDING FOR ADEQUATE ↑PROTECTION
AND
(3) GRANTING RELATED RELIEF** _{1,2}

UPON THE MOTION (the “**Motion**”), dated March 8, 2002 of Cedar Chemical Corporation (the “**Borrower**”) and Vicksburg Chemical Company (“**Vicksburg**”), each as Debtor and Debtor-in-Possession (together, the “**Debtors**”), pursuant to Sections 105, 361, and 363 of the United States Bankruptcy Code, 11 U.S.C. §§101, *et seq.* (the “**Code**”), and Rule 4001 of the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**”) seeking, among other things:

(1) to authorize the use of cash collateral, pursuant to section 363 of the Code and subject to the terms and conditions set forth herein, that secures obligations owing to the lenders (the “**Pre-Petition Secured Lenders**”) under or in connection with that certain Credit Agreement, dated as of November 3, 1995 (as heretofore amended, supplemented or otherwise modified, the “**Pre-Petition**

Credit Agreement”), among the Borrower, the lenders listed therein, and JP Morgan Chase Bank (formerly known as The Chase Manhattan Bank) (“**Morgan**”), as administrative agent for the Pre-Petition Secured Lenders (in such capacity, the “**Agent**”);

(2) to grant adequate protection to the Pre-Petition Secured Lenders and the Agent in respect of the liens securing the Pre-Petition Credit Agreement and the Subsidiary Guarantee dated as of November 5, 1995 (the “**Subsidiary Guarantee Agreement**”) entered into by Vicksburg and each other Subsidiary of the Borrower listed on Schedule I thereto (each, a “**Guarantor**”) (the Pre-Petition Credit Agreement, the Subsidiary Guarantee Agreement and the related security agreements, mortgages, deeds of trust, security documents and other related loan documentation and hedging agreements being collectively referred to herein as the “**Existing Agreements**”); and

(3) that this Court schedule a final hearing (the “**Final Hearing**”) to be held within 30 days of the entry of the Interim Order to consider entry of a final order authorizing the relief sought in this Interim Order; and

DUE NOTICE of the Motion, the relief requested therein and the ↑Final Hearing thereon having been given by the Debtors to the twenty largest unsecured creditors of each of the Debtors, the Agent, the Pre-Petition Secured Lenders and the United States Trustee for the Southern District of New York; and ^{3,4}

↑An Interim Hearing on the Motion having been held by this Court on March 14, 2002 at which the Court (a) authorized the Debtor to use cash collateral and (b) scheduled the Final Hearing; and

UPON THE RECORD made by the Debtors at the ↑Final Hearing, and after due deliberation and consideration and sufficient cause appearing therefor; ⁵

IT IS FOUND, DETERMINED, ORDERED AND ADJUDGED, that:

1. *Jurisdiction.* These are “core proceedings”, and this Court has jurisdiction over the parties and property affected hereby pursuant to 28 U.S.C. §§157(b) and 1334.
2. *Notice.* The notice given by the Debtors of the ↑Motion, the Interim Hearing and the Final Hearing constitutes due and sufficient notice of the ↑Motion, the Interim Hearing and the Final Hearing. ^{6,7}

3. *Debtors’ Stipulations.* The Debtors hereby stipulate and agree that:

(a) (i) in accordance with the terms of the Existing Agreements and as of the date of the filing of the Debtors’ chapter 11 petitions herein (the “**Petition Date**”), the Debtors were truly and justly indebted and liable to the Pre-Petition Secured Lenders, without defense, counterclaim or offset of any kind, in the aggregate principal amount of approximately \$83,240,121.46 in respect of loans made by the Pre-Petition Secured Lenders pursuant to the Existing Agreements, plus interest thereon and fees and expenses incurred in connection therewith as provided in the Existing Agreements, and ↑in respect of certain additional amounts owing under interest rate or other hedging agreements (collectively, including all other obligations of the Guarantors under the Existing Agreements, the “**Pre-Petition Debt**”), and Pre-Petition Debt and the Existing Agreements constitute valid, binding non-voidable obligations of the Borrower and Guarantors enforceable in accordance with their terms; (ii) no portion of the Pre-Petition Debt is subject to avoidance, recharacterization or subordination pursuant to the Code or applicable nonbankruptcy law and (iii) the Debtors do not have, and hereby forever release, any claims, counterclaims, causes of action, defenses or offset rights,

whether arising under the Code or otherwise, against the Pre-Petition Secured Lenders, the Agent and their respective affiliates, agents, officers, directors, employees and attorneys. 8

(b) the liens and security interests granted to the Agent pursuant to the Existing Agreements relate to substantially all of the assets of the Debtors and are valid, perfected, enforceable, non-voidable first-priority liens and security interests in the personal and real property described in the Existing Agreements (the “**Pre-Petition Collateral**”) subject only to liens permitted under the Existing Agreements;

(c) the aggregate amount of the Pre-Petition Debt exceeds the aggregate amount of the Pre-Petition Collateral; and

(d) In order to permit the orderly administration of these proceedings, the Debtors require the consent of the Pre-Petition Secured Lenders to use cash collateral.

4. *The Cash Collateral.* All funds of the Debtors (including any funds of the Debtors on deposit at the Pre-Petition Secured Lenders or at any other institution) as of the Petition Date are cash collateral of the Pre-Petition Secured Lenders within the meaning of Section 363(a) of the Code. In addition, all cash proceeds of Pre-Petition Collateral received after the Petition Date are cash collateral of the Pre-Petition Secured Lenders within the meaning of Section 363(a) of the Code. Furthermore, to the extent, as of the Petition Date, any funds were on deposit with the Pre-Petition Secured Lenders, such funds were subject to rights of set-off. By virtue of such set-off rights, such funds are subject to a lien in favor of such Pre-Petition Secured Lenders pursuant to Sections 506(a) and 553 of the Code. The Pre-Petition Secured Lenders are obligated, to the extent provided for in the Existing Agreements, to share the benefit of such liens with the other Pre-Petition Secured Lenders party to such Existing Agreements based upon their respective *pro rata* shares of the obligations under such Existing

Agreements. All such cash collateral (including without limitation, funds subject to such setoff rights) are referred to herein as “**Cash Collateral**.”

5. *Use of Cash Collateral.*

(a) Establishment of Expense Accounts. An expense account shall be established with the Agent in the name of the Borrower for purposes of maintaining Cash Collateral authorized to be used by the Debtors in accordance with and subject to the terms and conditions of this Order (the “**Morgan Expense Account**”). At the Agent’s sole discretion, the Debtors may continue to maintain their existing disbursement accounts at AmSouth Bank, provided that such accounts are at all times maintained in a manner consistent with this paragraph 5 (the “**AmSouth Expense Accounts**”, and together with the Morgan Expense Account, the “**Expense Accounts**”).

(b) Establishment of Distribution Account. A “**Distribution Account**” shall be established with the Agent in its own name for purposes of effecting the distribution of Cash Collateral pursuant to paragraph 5(f) below.

(c) Deposit of Cash in Morgan Expense Account. Subject to disbursements to the AmSouth Expense Accounts and the Distribution Account as hereinafter provided, (1) all cash held by the Debtors on the Petition Date shall be deposited in the Morgan Expense Account, and (2) after the Petition Date, all cash received by the Debtors shall be deposited in the Morgan Expense Account as follows:

(i) The Debtors will continue to use lock-box accounts at AmSouth Bank existing on the Petition Date (the “**Lock-Box Accounts**”) in the same manner such Lock-Box Accounts were utilized pre-petition. At the end of each business day, the entire cash balance of

each Lock-Box Account (the “**Lock-Box Receipts**”) shall be deposited in the Morgan Expense Account.

(ii) All cash received by the Debtors (other than Lock-Box Receipts), whether in or outside the ordinary course of business (including, without limitation, collections on receivables, the proceeds of sales of inventory, fixed assets and investments) and all investments of the funds of the Debtors, shall be directly deposited and held in the Morgan Expense Account.

(iii) With the consent of the Agent, the Debtors shall be permitted to retain in, or transfer funds from the Morgan Expense Account to, the AmSouth Expense Accounts, provided that such funds are used solely for the purpose of paying expenses permitted to be paid by the Debtors from the Expense Accounts pursuant to paragraph 5(e) below.

(d) Transfer of Cash Collateral from the Expense Accounts to the Distribution Account. No later than 10:00 A.M. on the first business day of each week (i) the Debtors shall deliver to the Agent a certificate specifying the unpaid budget items for the period of time remaining in the Budget, and (ii) to the extent cash in the Expense Accounts exceeds 110% of the amount necessary to satisfy such items, such excess amount shall be transferred to the Distribution Account (the aggregate cash balance of the Expense Accounts and Distribution Account being “**Debtor Cash**”).

(e) Use of Cash Collateral in Expense Accounts. Until the Termination Date (as defined [↑]below), funds in the Expense Accounts may be used in the ordinary course of business by the Debtors substantially in accordance with a four week expense budget consented to by the Agent in its sole discretion (the “**Budget**”) (the initial Budget is attached as Exhibit A to this Order). After such date, funds in the Expense Accounts shall not be used by the Debtors

without consent of the Agent or further order of the Court. “**Termination Date**” means, unless extended with the written consent of the Agent (to be granted in its sole discretion), the earliest to occur of (i) June 1, 2002, (ii) conversion to chapter 7 or dismissal of these chapter 11 proceedings in respect of any Debtor, (iii) the appointment of a trustee or examiner with expanded powers for any Debtor or (iv) five (5) business days after Debtors’ receipt of notice from the Agent that the Pre-Petition Secured Lenders no longer consent to the use of cash collateral by the Debtors, provided, however, that during such five (5) business day period, the Debtors shall in no event use in excess of \$50,000.00 of Cash Collateral.

(f) Disbursement of Funds in Distribution Account. Funds deposited in the Distribution Account prior to the Termination Date shall promptly be distributed to the Pre-Petition Secured Lenders to be applied in accordance with the terms of the Existing Agreements in satisfaction of the claims of the Pre-Petition Secured Lenders under the Existing Agreements. Promptly after making any such payment, the Agent shall advise the Debtors of the amounts so distributed to each of the Pre-Petition Secured Lenders.

6. *Adequate Protection*. The Pre-Petition Secured Lenders are entitled, pursuant to Sections 361 and 363(e) of the Code, to adequate protection of their interest in the Pre-Petition Collateral, including the Cash Collateral, for any diminution in value of the Pre-Petition Secured Lenders’ interests in the Pre-Petition Collateral, including, without limitation, any such diminution resulting from the use by the Debtors of Cash Collateral and any other Pre-Petition Collateral, and the imposition of the automatic stay pursuant to Section 362 of the Code.

(a) Adequate Protection Liens. As adequate protection for any diminution in the value of the Pre-Petition Collateral, effective upon the date of this Order and without the necessity of the execution by the Debtors of mortgages, security agreements or otherwise, the

following security interests and liens are hereby granted to the Pre-Petition Secured Lenders to the extent of any diminution in value of the Pre-Petition Collateral (all property identified below in this paragraph (a) being collectively referred to as the “**Collateral**,” and such security interests and liens being collectively referred to as the “**Liens**”), subject only to (a) valid and perfected non-voidable liens in existence on the Petition Date and (b) valid liens in existence on the Petition Date that are perfected subsequent to the Petition Date as permitted by Section 546(b) of the Code, and (c) applicable provisions of the Carve-Out (as defined below): ⁹⁻¹⁴

(i) a perfected first priority senior security interest in and lien upon all Debtor Cash, and

(ii) a perfected first priority security interest in and lien upon all other pre- and post-petition property of the Debtors, whether existing on the Petition Date or thereafter acquired, including, without limitation, accounts receivable, contracts, documents, equipment, general intangibles, instruments, inventory, interests in leaseholds, real property and the capital stock of the subsidiaries of the Debtors and the proceeds of all of the foregoing, excluding the Debtor’s claims and causes of actions under sections 502(d), 544, 545, 547, 548, 549, 550 or 551 of the Code, or any other avoidance actions under the Code (collectively, “**Avoidance Actions**”), but including any proceeds or property recovered, unencumbered or otherwise the subject of successful Avoidance Actions.

(b) Section 507(b) Claim. The Agent and the Pre-Petition Secured Lenders are hereby granted, subject to the payment of the Carve-Out (as defined below), a superpriority claim as provided for in Section 507(b) of the Code to the extent of any diminution in value of the Pre-Petition Collateral.

(c) Fees and Expenses. In addition to the payments from the Distribution Account referred to above, the ↑Agent and the Pre-Petition Secured Lenders shall receive (a) cash payments in the amount of all accrued and unpaid letter of credit fees, if any, and interest on the Pre-Petition Debt at the rate provided for in the Existing Agreements, and all other accrued and unpaid fees and disbursements (including, but not limited to, fees owed to the Agent) incurred prior to the Petition Date owing under the Existing Agreements, and (b) current cash payments from the Debtors (i) of all fees and expenses payable to the Agent and otherwise under the Existing Agreements, including but not limited to, the reasonable fees and disbursements of counsel and financial consultants for the Agent and (ii) on the first business day of each month, all accrued but unpaid letter of credit fees under the Existing Agreements. Further, AmSouth Bank shall receive current cash payments from the Debtors of all fees and expenses payable under the AmSouth Expense Accounts and the Lock-Box Accounts. All amounts payable under this paragraph shall be deemed included in the Budget and payable as allowed Budget items. ¹⁵

(d) Preservation and Monitoring of Collateral. The Debtors shall take all steps reasonably necessary to protect and maintain the value of the Pre-Petition Collateral (including, without limitation, the maintenance of all necessary insurance), and the Pre-Petition Secured Lenders shall be permitted to retain expert consultants and financial advisors at the expense of the Debtors, which consultants and advisors shall be given reasonable access for purposes of monitoring the business of the Debtors and their subsidiaries, the value of the Pre-Petition Collateral and the compliance by the Debtors with the provisions of this Order. In addition, the Debtors shall supply to the Agent and the Pre-Petition Secured Lenders all financial and other

information regarding the business, assets, liabilities and sources and uses of cash of the Debtors as may be reasonably requested by any of them.

|(e) Limitation on Charging Expenses Against Collateral. Except to the extent of the Carve-Out (as defined below), no expenses of administration of these Cases or any future proceedings that may result therefrom, including liquidation in bankruptcy or other proceedings under the Code, shall be charged against or recovered from the Collateral or, while the Debtors are permitted to use Cash Collateral that is part of the Collateral or the Pre-Petition Collateral, the Pre-Petition Collateral, pursuant to Section 506(c) of the Code or any similar principal of law, without the prior written consent of the Agent, and no such consent shall be implied from any other action, inaction, or acquiescence by the Agent or the Pre-Petition Secured Lenders.

7. *Priority of Obligations Hereunder; Carve Out.*

(a) Pursuant to Section 507(b) of the Code, all of the Debtors' obligations arising under this Order shall constitute obligations of the Debtors with priority over any and all administrative expenses or other claims under Sections 105, 326, ↑328, 506(c), 507(a) or 726 of the Code, subject only to the payment of the Carve ↑Out.^{16,17}

(b) For purposes hereof, the "**Carve Out**" means (i) all fees required to be paid to the Clerk of the Bankruptcy Court and to the Office of the United States Trustee under Section 1930(a) of title 28 of the United States Code and (ii) an amount not exceeding \$250,000.00 in the aggregate, to pay fees and expenses of the Debtors' professionals (excluding any fees and expenses of Marotta, Gund, Budd & Dzera Management LLC which shall be paid pursuant to the Budget), and an amount not exceeding \$250,000.00 in the aggregate, to pay fees and expenses of any statutory committees appointed in the Cases (each, a "**Committee**") (the "**Committee Carve Out**"), which amounts may be used after the Termination Date, in respect

of (A) allowances of compensation for services rendered or reimbursement of expenses awarded by the Bankruptcy Court to the Debtors' or any Committee's professionals and (B) in the case of the Committee Carve Out, the reimbursement of expenses allowed by the Bankruptcy Court incurred by Committee members in the performance of their duties (but excluding fees and expenses of third-party professionals employed by such members); *provided, however*, that the dollar limitation in this paragraph on fees and disbursements shall not be reduced by the amount of any compensation or reimbursement of expenses paid prior to the Termination Date, and *provided, further*, that nothing herein shall be construed to impair the ability of any party to object to any of the fees, expenses, reimbursement or compensation described in clauses (A) and (B) above.

8. *Reservation of Rights of Pre-Petition Secured Lenders.* The Agent and the Pre-Petition Secured Lenders may request further or different adequate protection, and the Debtors or any other party may contest any such request. Moreover, nothing contained in this Order (including, without limitation, the authorization of the use of Cash Collateral) shall impair or modify the right of any Pre-Petition Secured Lender that is a party to a swap agreement or other eligible financial contract with a Debtor to assert rights of set-off or other rights with respect thereto (or the right of the Debtors to contest such assertions).

9. *Perfection of Adequate Protection Liens.* The Agent and the Pre-Petition Secured Lenders that have been granted security interests and liens hereunder shall not be required to file or record financing statements, mortgages, notices of lien or similar instruments in any jurisdiction or take any other action in order to validate and perfect the security interests and liens granted to them pursuant to this Order. If the Agent on behalf of the Pre-Petition Secured Lenders shall, in its sole discretion, choose to file such financing statements, mortgages,

notices of lien or similar instruments or otherwise confirm perfection of such security interests and liens, the liens and security interests granted herein shall be deemed perfected at the time and on the date of entry of this Order. Upon the request of the Agent, each of the Pre-Petition Secured Lenders and the Agent, without any further consent of any party, is authorized to take, execute and deliver such instruments (in each case without representation or warranty of any kind) to enable the Agent to further perfect, preserve and enforce the security interests and liens granted to the Agent and the Pre-Petition Lenders by this Order.

10. *Preservation of Rights Granted Under the Order.*

(a) No claims or liens having a priority superior to or *pari passu* with those granted by this Order to the Agent and the Pre-Petition Secured Lenders, respectively, shall be granted while any Pre-Petition Debt is outstanding, and the security interests and liens granted to the Agent and the Pre-Petition Secured Lenders hereunder shall not be (i) subject to any lien or security interest that is avoided and preserved for the benefit of the Debtors' estates under Section 551 of the Code or (ii) subordinated to or made *pari passu* with any other lien or security interest under Section 364(d) of the Code or otherwise.

(b) Other than with the written consent of the Agent and the Pre-Petition Secured Lenders, the Debtors shall not seek an order dismissing any of the Cases. If an order dismissing any of the Cases under Section 1112 of the Code or otherwise is at any time entered (x) the liens, security interests and claims granted to the Agent and the Pre-Petition Secured Lenders pursuant to this Order shall continue in full force and effect and shall maintain their priorities as provided in this Order until all obligations in respect thereof shall have been paid and satisfied in full (and that such security interests, liens and claims shall, notwithstanding such dismissal, remain binding on all parties in interest) and (y) this Court shall retain jurisdiction,

notwithstanding such dismissal, for the purposes of enforcing the claims, liens and security interests referred to in (x) above.

(c) If any or all of the provisions of this Order are hereafter reversed, modified, vacated or stayed, such reversal, stay, modification or vacation shall not affect the validity and enforceability of any lien or priority authorized or created hereby. Notwithstanding any such reversal, stay, modification or vacation, any use of Cash Collateral prior to written notice to the Agent of the effective date of such reversal, stay, modification or vacation shall be governed in all respects by this Order, as applicable, and the Pre-Petition Secured Lenders shall be entitled to all the rights, remedies, privileges and benefits granted in this Order with respect to all uses of Cash Collateral.

(d) The obligations of the Debtors under this Order shall not be discharged by the entry of an order confirming a plan of reorganization in any of the Cases and, pursuant to Section 1141(d)(4) of the Code, the Debtors have waived such discharge.

11. *Limitation on Use of Collateral.* Notwithstanding anything herein to the contrary, no Cash Collateral, Collateral or the Carve Out may be used to object, contest or raise any defense to, the validity, perfection, priority, extent or enforceability of the Pre-Petition Debt or the liens securing the Pre-Petition Debt, or to assert any claims or causes of action against the Pre-Petition Secured Lenders or the Agent, *provided, however*, that an amount not to exceed ↑\$50,000 in the aggregate may be utilized to pay allowed expenses of the Official Committee of Unsecured Creditors (the “**Creditors’ Committee**”) appointed in these cases incurred in connection with the investigation or evaluation of the validity, perfection, priority, extent or enforceability of the Pre-Petition Debt or the liens securing the Pre-Petition Debt (such amount being deducted from the Committee Carve Out if paid after the Termination Date).¹⁸

12. *Parties in Interest Bound.* The admissions and stipulations contained in paragraph 3 shall be binding upon the Debtors under all circumstances, and shall be binding upon all other parties in interest, including without limitation, the Creditors' Committee or any trustee, unless (a) such party in interest (including the Creditors' Committee) has properly filed an adversary proceeding or contested matter (subject to the limitations set forth in paragraph 11) challenging the validity, enforceability or priority of the Pre-Petition Debt or the liens on the Pre-Petition Collateral in respect thereof, or otherwise asserting any claims or causes of action against the Agent or the Pre-Petition Secured Lenders on behalf of the Debtors' estates, no later than June 13, 2002, and (b) the Court rules in favor of the plaintiff in any such timely and properly filed adversary proceeding or contested matter and such ruling becomes a final order. If no such adversary proceeding or contested matter is commenced as of such date, the Pre-Petition Debt shall constitute allowed claims, not subject to subordination and otherwise unavoidable, for all purposes in these chapter 11 cases and any subsequent chapter 7 cases, the liens securing the Pre-Petition Debt on the Pre-Petition Collateral shall be deemed legal, valid, binding, perfected, not subject to defense, counterclaim, offset of any kind, subordination and otherwise unavoidable, and the Agent, the Pre-Petition Secured Lenders, the Pre-Petition Debt and the liens on the Pre-Petition Collateral securing the Pre-Petition Debt shall not be subject to any other or further challenge by any party in interest seeking to exercise the rights of the Debtors' estates, including without limitation, any successor thereto. If any such adversary proceeding or contested matter is timely commenced as of such date, the admissions contained in paragraph 3 shall nonetheless remain binding and preclusive (as provided in this paragraph) except to the extent that such acknowledgments and agreements expressly and successfully challenged in such adversary proceeding or contested matter.

13. *Successors and Assigns.* The provisions of this Order shall be binding upon the Agent, the Pre-Petition Secured Lenders and the Debtors and their respective successors and assigns (including any chapter 7 or chapter 11 trustee hereinafter appointed or elected for the estate of any of the Debtors) and inure to the benefit of the Agent, the Pre-Petition Secured Lenders and the Debtors and (except with respect to any trustee hereinafter appointed or elected for the estate of any of the Debtors) their respective successors and assigns. ¹⁹

14. *Financial Reporting.* The Debtors shall furnish the Agent such financial information about the Debtors and their subsidiaries as the Agent may reasonably request including, but not limited to:

(a) On or before 12:00 P.M. (New York City time) on Thursday of each week (or if such day is not a business day the next preceding business day):

(i) a detailed, line item statement of actual cash receipts and cash disbursements for the prior week, in a form satisfactory to the Agent (the “**Weekly Actual Cash Statement**”);

(ii) a detailed statement setting forth and explaining, on a line item basis, any material deviations in the Weekly Actual Cash Statement from the Budget; and

(iii) a report reflecting the book value of the Debtors’ inventory and receivables.

(b) Any financial information and pleadings filed with the Bankruptcy Court.

Such information and pleadings shall be served upon the Agent and its counsel contemporaneously with their filing.

(c) All other financial information and reports prepared by the Debtors in the ordinary course of their businesses, including as required by the Bankruptcy Court or by the Operating Guidelines and Reporting Requirements of the United States Trustee's Office.

(d) All financial statements required by the Pre-Petition Credit Agreement, including, without limitation, the financial statements of Trans-Resources, Inc. and its subsidiaries.

(e) Not later than the 20th day of each month, (i) a proposed Budget for the next calendar month, and (ii) a cash disbursements and receipts forecast for the estimated balance of the chapter 11 cases.

^Dated:

_____²⁰
CHIEF UNITED STATES BANKRUPTCY JUDGE

BLACKLINE PROGRAM

Marked changes to: cc.final.order.wpd 03/25/02 21:00
from: cc.interim.order.final.wpd 03/13/02 20:44

Blacklined output indicates inserted, modified or deleted text.

^ Deleted text.

|_ Inserted text (underlining and/or redline shading) _|

Modified text is indicated by a combining the Deletion and Insertion markings.

NOTE: Numbers which appear to the right of a deletion or modified text correspond to a list of the deleted text which appears at the end of this document.

The blackline program treats each sequence of characters (including letters, numbers and grammatical marks) other than spaces as a word. If any character within a word is changed the entire word is indicated as changed. A vertical bar in the left margin indicates that a change (deletion, insertion or modification) has been made to that line. Words to which underlining has been added/removed are shown as changed.

Deletions

- 1) INTERIM
 - 2) PROTECTION, (3) SCHEDULING FINAL HEARING, AND (4)
 - 3) Interim
 - 4) THE INTERIM HEARING having been held on March 14, 2002;
 - 5) Interim
 - 6) Motion and
 - 7) Motion and the Interim Hearing.
 - 8) certain
 - 9) the earlier of
 - 10) below) or the date of the Final Hearing on the Motion,
 - 11) May 15,
 - 12) the date of the Final Hearing, (iii)
 - 13) (iv)
 - 14) (v)
 - 15) Agents
 - 16) 328 or 507(a)
 - 17) Out (as hereinafter defined).
 - 18) \$25,000
 - 19) the date that is 60 days after the date that the Creditors' Committee has retained counsel,
 - 20) 15. Final Hearing. The Final Hearing on the Motion is scheduled for March 26, 2002 at 10:30 A.M. before this Court. 16. Notices. The Interim Hearing was held pursuant to the authorization of
- Bankruptcy Rule 4001(b)(2), whereby notice of the Motion and the Interim Hearing was given to the United States Trustee, the Debtors' twenty (20) largest creditors, as listed in the Debtors' petition and the Agent. Debtors shall promptly mail copies of this Order to the parties having been given notice of the Interim Hearing and to any other party which has filed a request for notices with this Court and to any Committee after the same has been appointed, or Committee counsel, if the same shall have been appointed. Any party in interest objecting to the relief sought at the Final Hearing (which shall include a waiver of Section 506(c) of the Code) shall serve and file written objections; which objections shall be served upon (i) attorneys for the Debtors: Angel & Frankel, P.C., 460 Park Avenue, New York, New York 10022-1906, Attn: Joshua J. Angel, Esq. and Bonnie L. Pollack, Esq.; (ii) Attorneys for the Agent: Davis Polk & Wardwell, 450 Lexington Ave., New York, NY 10017, Attn: Donald S. Bernstein and Stephen H. Case; and (iii) the Office of the United States Trustee for the Southern District of New York, and shall be filed with the Clerk of the United States Bankruptcy Court, Southern District of New York, in each case to be actually received by said counsel and by the Clerk no later than 12:00 P.M. local time on March 25, 2002.

Donald S. Bernstein
Marshall S. Huebner
DAVIS POLK & WARDWELL
450 Lexington Avenue
New York, NY 10017

Hearing Date: April 2, 2002
at 10:00 a.m.

Counsel for JP Morgan Chase Bank, as Agent

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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In re:	:	
	:	Chapter 11
CEDAR CHEMICAL CORPORATION,	:	
AND VICKSBURG CHEMICAL COMPANY,	:	Case Nos. 02-11039 (SMB)
Debtors	:	and 02-11040 (SMB)
	:	(Jointly Administered)

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**STATEMENT OF THE AGENT FOR PRE-PETITION SECURED LENDERS IN
SUPPORT OF PROPOSED FINAL ORDER AUTHORIZING USE OF CASH
COLLATERAL AND PROVIDING ADEQUATE PROTECTION**

The Agent¹ hereby files this statement in support of the Debtors' request for entry of a final order authorizing the use of Cash Collateral and providing for adequate protection (the "Final Order"). While the Agent intends to respond, at the April 2 hearing, to each of the issues raised by the Committee in its Friday evening objection, this response will preliminarily address the two primary issues raised by the Committee – whether the Debtors may waive their rights under section 506(c) of the Code and whether, on the facts presented here, it is appropriate to

¹ Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Debtors' motion to authorize the use of cash collateral and to grant adequate protection to the Pre-Petition Secured Lenders dated March 8, 2002.

grant liens on proceeds of avoidance actions to the pre-petition secured lenders (the “Lenders”) to the extent there is a diminution in the value of their Pre-Petition Collateral.

I. The Negotiated Section 506(c) Waiver is Necessary and Appropriate

1. The Agent believes that, for each of several independent reasons, the 506(c) waiver in the proposed Final Order is entirely appropriate. First, as the Debtors have admitted, they are administratively insolvent. As stipulated to in the Interim Order, “the aggregate amount of the Pre-Petition Debt exceeds the aggregate amount of the Pre-Petition Collateral.” (Interim Order par. 3(c)). The Lenders have liens on all of the Debtors’ material assets (including all cash), and such assets are worth a fraction of the amounts owed to the Lenders. This fact distinguishes these chapter 11 proceedings from the typical chapter 11 case. Every single dollar that these Debtors spend is a dollar of Lender collateral dissipated. The primary rationale of section 506(c) – that the estate not spend unencumbered funds for the direct and sole benefit of secured parties – is thus inapplicable in this case. As explained by the Third Circuit in In re Visual Indus., Inc., 57 F.3d 321, 325 (3d Cir. 1995): “The rule understandably shifts to the secured party, who has benefitted from the claimant’s expenditure, the costs of preserving or disposing of the secured party’s collateral, which costs might otherwise be paid from the unencumbered assets of the bankruptcy estate, providing that such unencumbered assets exist.” No such assets exist in this case.

2. Second, the reality of this case is that, because adequate protection cannot truly be provided, funds are available to the Debtors only with the consent of the Lenders. The Lenders have already consented to the payment of very substantial amounts out of their collateral to fund

these cases and to pay pre-petition claims. Much of the money being spent under the Budget would not constitute 506(c) chargeable claims in this circuit or elsewhere. As part of the compromise negotiated between the Debtors and the Agent, such costs are included in the approved Budget and will be paid to a variety of unsecured creditors. It is possible that there will be little value in these cases beyond the proceeds of the liquidation of the Debtors' inventory and receivables. It is these very funds – proceeds of the Lenders' collateral – that are being expended by the Debtors. The Lenders should not be compelled to risk funding the Debtors' expenses out of their most valuable collateral without knowing that the remaining value of their collateral will not be surcharged under section 506(c).

3. Third, the law in this district is that section 506(c) waivers are permissible. The Committee cites a few cases from other jurisdictions that suggest to the contrary in certain circumstances, but neglects to advise this court that the U.S. District Court for the Southern District of New York has upheld the propriety of the waiver of section 506(c) claims. See In re Film Equip. Rental Co., No. 91 Civ. 3476, 1991 WL 274464, at *3 (S.D.N.Y. Dec. 12, 1991) (“A trustee or his agent may by stipulation with a secured creditor preclude a subsequent claim for recovery of administration expenses from collateral.”)²

² The Committee's lack of citation to the governing law of this jurisdiction is somewhat surprising, inasmuch as cases cited by the Committee explicitly discussed In re Film Equip. Rental Co.

4. Fourth, the few cases cited by the Committee to the contrary are, besides being quite far afield³, no longer good law. In most of those cases, individual creditors petitioned the court to allow for the payment of their administrative claims in the face of the competing claims of a secured creditor. See, e.g., In re Brown Brothers, Inc., 136 B.R. 470 (W.D. Mich. 1991) (upholding 506(c) claim brought by individual creditor and noting the “significance” of action having been brought by administrative creditor, not trustee). In Hartford Underwriters Ins. Co. v. Union Planters Bank, 530 U.S. 1 (2000), a case not cited by the Committee, the U.S. Supreme Court held that individual creditors do not have standing nor any entitlement to assert 506(c) claims – a right that belongs to the debtor alone. Thus, while it may once have been true that in certain jurisdictions under certain circumstances debtors could not waive the 506(c) claims of other third party creditors, that is beyond peradventure, no longer the law. According to the

³ In re Crouch, 51 B.R. 331 (Bankr. D. Or. 1985), for example, addressed the application of 506(c) to perennial crops. The court held that in “recognition of the special application of 11 U.S.C. § 552(b) to a farming situation, . . . receipts [are] to be pro-rated among the cash collateral creditor and those of § 506(c) creditors.” Id. at 333 (emphasis added). The Crouch case is not instructive in the Debtors’ case. Here, the Debtors’ plants are in “warm-idle” mode and a detailed and heavily negotiated budget provides for necessary expenses of administering the Estates to be paid out of the Lenders’ Cash Collateral. In formulating the Budget, the Lenders do not seek a windfall by avoiding necessary payments of administering the Estates. Instead, the Lenders seek to set-forth the necessary expenses of the Estates to avoid incurring unintended and/or unnecessary expenses and the associated costs of litigating whether such expenses are appropriate section 506(c) charges.

Moreover, the Committee cites In re Ridgeline Structures, Inc., 154 B.R. 831 (Bankr. D. N.H. 1993), as holding that section 506(c) waivers are unenforceable. In Ridgeline, however, the court recognized that section 506(c) waivers have been approved by the Southern District of New York in In re Film Equipment Rental Co., a case where “there was no assertion of any egregious conduct which would render enforcement unconscionable.” Id. at 832. The Committee makes no assertion of egregious conduct in these Cases.

Supreme Court, the claims now belong to the Debtor alone. There is no reason whatsoever these claims cannot be waived by their owner.⁴

5. The Lenders consented to the Debtors' use of Cash Collateral only on the heavily negotiated terms described in the proposed Final Order. The proposed Final Order, which restricts the use of Cash Collateral to the specifically enumerated expenses in the Budget, is expressly predicated on protection of the Lenders against "double dipping" the Lenders' Collateral by using that Cash Collateral to pay expenses and then surcharging the Lenders for those very same expenses under section 506(c). Such a result would be manifestly unfair and might require a new, and possibly different, decision to be made by the Lenders on whether to consent to the Debtors' use of Cash Collateral. Justice Scalia well understood this problem in Hartford, in which he noted that "where unencumbered assets were scarce, creditors might attempt to use 506(c) even though their claim to have benefitted the secured creditor was quite weak. The possibility of being targeted for such claims by various administrative creditors could make secured creditors less willing to provide postpetition financing." Id. at 13.

II. The Code Fully Contemplates, Indeed it Requires, that the Lenders Receive the Proceeds of Avoidance Actions to the Extent Necessary to Recompense them for Diminution in the Value of the Pre-Petition Collateral

⁴ Indeed, in the course of issuing its ruling, in which the Court explicitly recognized that secured claims trump administrative claims, the unanimous Supreme Court even gave advice to administrative creditors to whom 506(c) was no longer available, noting that they could, inter alia, "insist on cash payment, or contract directly with the secured creditor . . ." Id. at 12.

6. The Committee argues at length (and cites seven reported decisions for the proposition) that pre-petition liens do not attach to avoidance actions. See Obj. at par 26. This is totally irrelevant to the proposed Final Order. As has been made crystal clear at two hearings and to the Committee, the new liens and claims afforded to the Lenders are adequate protection liens for post-petition diminution. Nothing in the Final Order seeks a finding that the Lenders' pre-petition liens themselves attach to avoidance actions.

7. The simple statutory truth is that the proceeds of avoidance actions must be given to the Lenders, exactly as provided for in the Order, to the extent necessary to compensate them for diminution in value of the Pre-Petition Collateral. Avoidance proceeds are not some bizarre and exotic treat that is somehow preserved solely for unsecured creditors, without regard for the otherwise applicable priority rules of the Code. Rather, Congress has told us exactly what avoidance actions and proceeds are. Under the explicit terms of sections 541(a)(3) and (a)(4) of the Bankruptcy Code, avoidance proceeds are property of the estate. Nothing more and nothing less. Like all other property of the estate, they may be pledged to secure the claims of senior creditors, and when received, must be paid to creditors in their statutory order of priority.

8. The reported decisions on point all support the requested relief, inasmuch as they approve the granting of liens on avoidance actions themselves, a remedy far stronger than requested here.⁵ See In re Silver Cinemas Int'l, Inc., No. 00-1978 (Bankr. D. Del. Aug. 11, 2000) (approving the grant of liens on avoidance actions to post-petition lenders); Trans World Airlines

⁵ To avoid even the appearance of overreaching, the proposed order does not seek a lien on the actions themselves. It provides only that when proceeds come in, they are treated like all other estate assets – and are subject to any diminution liens and mandatory 507(b) claims of the Lenders.

v. Travellers International AG, 163 B.R. 964 (Bankr. D. Del. 1994)(same); Official Unsecured Creditors' Comm. v. Northern Trust Co. (In re Ellingsen MacLean Oil Co.), 98 B.R. 284, 291-92 (Bankr. W.D. Mich. 1989); Unsecured Creditors' Comm. v. Jones Truck Lines, Inc., 156 B.R. 608, 614 (W.D. Ark. 1992). Indeed, one of the cases cited by the Committee appears to reach exactly the same result. See In re Ludford Fruit Products, Inc., 99 B.R. 18, 26-27 (Bankr. C.D. Cal. 1989)(ruling that post-petition adequate protection lien in intangibles attaches to preference actions, which are choses-in-action).

9. The Committee cites three cases on this issue. In re Qualitech Steel Corp., 276 F.3d 245 (7th Cir. 2001), is cited for the proposition that courts do not favor granting pre-petition lenders security interests in proceeds of avoidance actions under section 364(d). Obj. at 11. The Committee does not mention the actual ruling of Qualitech. It upheld the orders of the two lower courts requiring that avoidance proceeds be paid to the pre-petition secured lenders as compensation for post-petition diminution – precisely the structure at bar. In re Muskin, Inc., 151 B.R. 252 (Bankr. N.D. Cal. 1993) is also inapposite inasmuch as it is a case (a) about whether certain preference actions could be dismissed and (b) in which the judge's "regret," the dicta cited by the Committee, was about having granted liens on avoidance actions for pre-petition claims. The Committee's final case, Official Committee of Unsecured Creditors v. Goold Electronics Corp., 1993 WL 408366 (N.D. Ill 1993), is also inapposite because (a) the transaction frowned on was a cross-collateralization, which is decidedly different from the case at bar (and does not, for example, implicate 507(b)) and (b) gave the lenders liens on the avoidance actions themselves, which the proposed Final Order does not.

10. In essence, the Committee contends (without statutory or judicial support) that avoidance recoveries are for the exclusive benefit of unsecured creditors, and somehow sidestep the many governing provisions of the Bankruptcy Code. The Committee would have this Court rewrite sections 550 and 551 to state that “notwithstanding anything else to the contrary in the Bankruptcy Code, any transfers avoided [under chapter 5] are avoided for the sole and exclusive benefit of unsecured creditors, and any avoidance proceeds, which must be paid directly to unsecured creditors only, may not be pledged by debtors to secure the use of cash collateral for the benefit of the estate or to satisfy mandatory adequate protection claims.” What sections 550 and 551 actually provide is that transfers are avoided “for the benefit of the estate,” which courts and commentators have uniformly interpreted to mean to creditors in their order of priority. See, e.g., In re Blanks, 64 B.R. 467, 469 (Bankr. E.D.N.C. 1986) (preservation of lien under section 551 benefits estate even where proceeds pay only costs of administration and priority tax claims, and no distribution is made to nonpriority unsecured claimants).⁶ The instant order, which seeks a lien only for post-petition diminution from the use of Lender collateral, is entirely appropriate and interlocks with every relevant Code provision, including sections 361 and 363, as well as section 507(b), which mandates superpriority administrative status for unpaid adequate protection claims.⁷

⁶ This comports with the purpose of 551 lien preservation – to prevent junior pre-petition lienholders from improving their position and receiving a windfall at the expense of the estate when a senior lien is avoided. See, e.g., Connelly v. Marine Midland Bank, N.A., 61 B.R. 748, 750 (W.D.N.Y. 1986); In re Appalachian Energy Indus., Inc., 25 B.R. 515, 516 (Bankr. M.D. Tenn. 1982); In re Ward, 42 B.R. 946, 951 (Bankr. M.D. Tenn. 1984).

⁷ As the Second Circuit opined in In re Blackwood Associates, L.P., 153 F.2d 61, 68 (2d Cir. 1998), in upholding the primacy of section 507(b) claims: “The Code thus deliberately protects and preserves the interests of secured creditors in property in which they have a security interest, and accordingly takes the concept of adequate protection very seriously.” (NY) 04675/067/CT.PAPERS02/final.cc.reply.wpd

Conclusion

11. The Agent respectfully requests that the Court enter the Final Order in the form previously submitted by the Debtors.

Dated: New York, New York
April 1, 2002

Donald S. Bernstein
Marshall S. Huebner
DAVIS POLK & WARDWELL
450 Lexington Avenue
New York, NY 10017
Telephone: (212) 450-4000
Facsimile: (212) 450-3800

By: _____

Counsel for JP Morgan Chase Bank, as Agent

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF NEW YORK**

IN RE: CEDAR CHEMICAL CORPORATION and VICKSBURG CHEMICAL COMPANY, Debtors	Chapter 11 Case Nos. 02-11039 (SMB) 02-11040 (SMB) Jointly Administered
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**STATEMENT PURSUANT TO FEDERAL BANKRUPTCY RULE 2019
REGARDING REPRESENTATION OF MULTIPLE PARTIES AND INTEREST**

Pursuant to Federal Rule of Bankruptcy Procedure 2019, the law firm of Duval & Stachenfeld LLP ("D&S") files this statement of multiple representation and states as follows:

1. D&S is a law firm representing the following parties in interest to the Chapter 11 case of the above-captioned debtors:

<u>Client</u>	<u>Nature of Claim / Interest</u>
Entergy Mississippi, Inc. and Entergy Services, Inc. 639 Loyola Avenue, Suite 2600 New Orleans, LA 70113	Electric utility trade creditor
Reliant Energy/Arkla Gas P.O. Box 751 Little Rock, AR 72203	Transportation utility provider

2. D&S is representing each of the clients listed above in its capacity as local counsel.

3. D&S is representing each of the clients listed above individually; the clients do not comprise a committee of any kind.

4. D&S reserves the right to supplement this statement should it become necessary.

Dated: New York, New York
April 1, 2002

DUVAL & STACHENFELD, LLP

By: /s/ Kirk L. Brett
Kirk L. Brett (KB-1288)
300 East 42nd Street, Third Floor
New York, New York 10017
Phone: 212-883-1700

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF NEW YORK**

IN RE: CEDAR CHEMICAL CORPORATION and VICKSBURG CHEMICAL COMPANY, Debtors	Chapter 11 Case Nos. 02-11039 (SMB) 02-11040 (SMB) Jointly Administered
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**STATEMENT PURSUANT TO FEDERAL BANKRUPTCY RULE 2019
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1. D&S is a law firm representing the following parties in interest to the Chapter 11 case of the above-captioned debtors:

<u>Client</u>	<u>Nature of Claim / Interest</u>
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Reliant Energy/Arkla Gas P.O. Box 751 Little Rock, AR 72203	Transportation utility provider

2. D&S is representing each of the clients listed above in its capacity as local counsel.
3. D&S is representing each of the clients listed above individually; the clients do not comprise a committee of any kind.

4. D&S reserves the right to supplement this statement should it become necessary.

Dated: New York, New York
April 1, 2002

DUVAL & STACHENFELD, LLP

By: /s/ Kirk L. Brett
Kirk L. Brett (KB-1288)
300 East 42nd Street, Third Floor
New York, New York 10017
Phone: 212-883-1700

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

-----X
In re: Chapter 11

CEDAR CHEMICAL CORPORATION and Case Nos. 02-11039 (SMB) and
VICKSBURG CHEMICAL COMPANY, 02-11040 (SMB)

Debtors. Jointly Administered
-----X

**ORDER PURSUANT TO 11 U.S.C. §§ 362 AND 365 (i) COMPELLING
DEBTORS TO ASSUME OR REJECT EXECUTORY CONTRACTS,
(ii) GRANTING RELIEF FROM THE AUTOMATIC STAY TO
TERMINATE SUCH CONTRACTS, AND (iii) AUTHORIZING SYNGENTA
TO PAY AMOUNTS OWED UNDER SUCH CONTRACTS**

Upon the motion of Syngenta Crop Protection, Inc. ("Syngenta"), for entry of an order, pursuant to sections 365(d)(2) and 362(a) of the United States Bankruptcy Code, 11 U.S.C. §§ 101 et seq. (the "Bankruptcy Code"), (i) compelling the above-captioned debtors and debtors-in-possession (collectively, the "Debtors"), to assume or reject those certain related executory contracts between Syngenta and Cedar Chemical Corporation ("Cedar") and other third parties set forth in the Motion (the "Agreements") no later than November 30, 2002, (ii) granting Syngenta relief from the automatic stay to terminate the Agreements, (iii) authorizing Syngenta to make certain payments under the Agreements and, and (iv) granting such other and further relief as the Court deems appropriate; and upon the Affidavit of Carroll M. Moseley, dated October 14, 2002, attached as Exhibit "F" thereto; and the Court having considered the Motion; and good and sufficient cause appearing therefor; it is hereby

ORDERED that the Agreements are hereby rejected under section 365 of the Bankruptcy Code; and it is further

ORDERED that Syngenta is granted relief from the automatic stay of section 362 of the Bankruptcy Code to permit it to terminate the Agreements; and it is further

ORDERED that this Court shall retain jurisdiction to hear and resolve all disputes arising under or in connection with the implementation of this Order.

Dated: New York, New York
January 2, 2003

/s/ STUART M. BERNSTEIN
CHIEF UNITED STATES BANKRUPTCY JUDGE

Reviewed and Accepted:

ANGEL & FRANKEL, P.C.

/s/ Bonnie L. Pollack
Bonnie L. Pollack, Esq. (BP-3711)

Attorneys for the Debtors

460 Park Avenue
New York, New York 10022
(212) 752-8000

ANGEL & FRANKEL, P.C.
Attorneys for Cedar Chemical Corporation
and Vicksburg Chemical Company
Debtors and Debtors-in-Possession
460 Park Avenue
New York, NY 10022-1906
(212) 752-8000
Joshua J. Angel, Esq. (JA-3288)
Bruce Frankel, Esq. (BF-9009)
Bonnie L. Pollack, Esq. (BP-3711)
William M. Kahn, Esq. (WK-9254)

Presentment Date: January 27, 2003
Time: 12:00 p.m.

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

-----X

In re:

Chapter 11

CEDAR CHEMICAL CORPORATION and,
VICKSBURG CHEMICAL COMPANY,

Case No. 02-11039 (SMB) and
02-11040 (SMB)

Debtors.

Jointly Administered

-----X

**NOTICE OF PRESENTMENT OF STIPULATION AND ORDER SETTLING
PREFERENCE CLAIM AGAINST GATX RAIL CORPORATION**

PLEASE TAKE NOTICE that the undersigned will present the annexed Stipulation and Order (the "Proposed Order") dated December 24, 2002 between Vicksburg Chemical Company (the "Debtor") and GATX Railway Corporation ("GATX") for signature to the Honorable Stuart M. Bernstein, Chief United States Bankruptcy Judge, on January 27, 2003 at 12:00 p.m.

PLEASE TAKE FURTHER NOTICE that objections, if any, to the Proposed Order must be made in writing and received in the Chambers of the Honorable Stuart M. Bernstein, Chief United States Bankruptcy Judge, United States Bankruptcy Court, One Bowling Green, Room 723, New York, New York 10004 and by the undersigned and shall be filed with the Clerk of the

Bankruptcy Court in accordance with the Standing General Order of the Bankruptcy Court for the Southern District of New York entered on June 26, 1997, establishing procedures for electronic filing, no later than 11:30 a.m. on January 27, 2003. Unless objections are received by that time, the Proposed Order may be signed and entered without a hearing.

PLEASE TAKE FURTHER NOTICE that if a written objection is timely filed, the Court will notify the moving and objecting parties of the date and time of the hearing and the moving party's obligation to notify all other parties entitled to receive notice. The moving and objecting parties are required to attend the hearing, and failure to attend in person or by counsel may result in relief being granted or denied upon default.

Dated: New York, New York
January 6, 2003

ANGEL & FRANKEL, P.C.
Attorneys for Cedar Chemical Corporation and
Vicksburg Chemical Corporation
Debtors and Debtors-in-Possession

By: /s/ William M. Kahn
Joshua J. Angel, Esq. (JA-3288)
Bruce Frankel, Esq. (BF-9009)
Bonnie L. Pollack, Esq. (BP-3711)
William M. Kahn, Esq. (WK-9254)
460 Park Avenue
New York, NY 10022-1906
(212) 752-8000

To: Office of the United States Trustee
Counsel to the Creditors' Committee
Counsel to the Agent to the Lenders
All Parties Who Filed Notices of Appearance

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

-----X

In re:

Chapter 11

CEDAR CHEMICAL CORPORATION and
VICKBURG CHEMICAL COMPANY,

Case Nos. 02-11039 (SMB) and
02-11040 (SMB)

Debtors.

Jointly Administered

-----X

STIPULATION AND AGREED ORDER SETTLING PREFERENCE CLAIM

WHEREAS, on March 8, 2002 (the "Petition Date"), Vicksburg Chemical Company ("Vicksburg") filed a voluntary petition for relief under chapter 11 of title 11 of the United States Code, 11 U.S.C. §§ 101-1330, et. seq., as amended (the "Bankruptcy Code") with the United States Bankruptcy Court for the Southern District of New York (the "Bankruptcy Court");

WHEREAS, within 90 days prior to the Petition Date (the "Preference Period"), GATX Rail Corporation ("GATX") received one or more payments from Vicksburg totaling in the aggregate \$143,235.00;

WHEREAS, GATX has a claim against Vicksburg's bankruptcy estates in the total principal amount of \$1,681,207.63 arising from rejection of the rail car leases by and between GATX and Vicksburg;

WHEREAS, on July 1, 2002, counsel for Vicksburg sent a letter to GATX claiming that the amounts paid by Vicksburg to GATX during the Preference Period were preferential transfers within the meaning of § 547(b) of the Bankruptcy Code and demanding turnover of \$143,235.00 to Vicksburg's bankruptcy estate (the "Preference Demand");

WHEREAS, pursuant to § 547(c)(4) of the Bankruptcy Code, GATX is entitled to a set off against the total amount of Vicksburg's preference demand on account of new value given by GATX to Vicksburg;

WHEREAS, GATX and Vicksburg have entered into discussions to settle the Preference Demand and to avoid the necessity of litigation;

WHEREAS, Vicksburg believes that such a resolution is beneficial to its estate in light of the time, expense and uncertainty of litigation that would ensue absent a consensual resolution hereunder;

WHEREAS, in light of the foregoing, Vicksburg and GATX desire to enter into the following consensual stipulation of the issues set forth above;

NOW, THEREFORE, in consideration of the foregoing, it is hereby stipulated and agreed by and between Vicksburg and GATX (the "Stipulation"), by their respective counsel, as follows:

1. GATX shall promptly pay to the order of Vicksburg TWENTY THOUSAND DOLLARS AND NO CENTS (\$20,000.00) (the "Settlement payment") upon the entry of an order approving the Stipulation.

2. GATX shall be allowed a general unsecured claim in the total principal amount of ONE MILLION FIVE HUNDRED SEVENTY-SEVEN THOUSAND SEVEN HUNDRED AND SEVEN DOLLARS AND SIXTY THREE CENTS (\$1,577,707.63).

3. Except as specified in paragraph 2 above, Vicksburg hereby waives and releases any of its rights of whatever nature or description to assert any claim, right, cause of action, or interest, whether at law or in equity, known or unknown, including any claims

arising under chapter 5 of the Bankruptcy Code against GATX or its successors or assigns at any time prior to or subsequent to the Petition Date.

4. This Stipulation contains the entire agreement of the parties with respect to the subject matter hereof and supersedes any other agreement or understanding the parties may have with respect to the same.

5. This Stipulation may not be modified except in writing signed by both parties hereto.

6. This Stipulation may be executed by facsimile and in counterparts, each facsimile counterpart being deemed an original and together constituting one original document.

7. This Stipulation shall not be binding on the parties until it is so ordered by the Bankruptcy Court.

Dated: New York, New York
12/31/02

ANGEL & FRANKEL, P.C.
Attorneys for Cedar Chemical Corporation
and Vicksburg Chemical Company
Debtors and Debtors In Possession

By: /s/ William M. Kahn
Joshua J. Angel, Esq. (JA-3288)
Bruce Frankel, Esq. (BF 9009)
Bonnie L. Pollack, Esq. (BP-3771)
Frederick E. Schmidt, Esq. (FS-5277)
460 Park Avenue
New York, NY 10022-1906
(212) 752-8000

Dated: Chicago, Illinois
12/24/02

Attorneys for GATX Rail Corporation

By: /s/ Gerald F. Munitz
Gerald F. Munitz, Esq. (1990470)
GOLDBERG, KOHN, BELL, BLACK,
ROSENBLOOM & MORITZ, LTD.
55 East Monroe Street, suite 3700
Chicago, IL 60603
(312) 201.4000

Dated: New York, New York

SO ORDERED

STUART M. BERNSTEIN
CHIEF UNITED STATES BANKRUPTCY JUDGE

ANGEL & FRANKEL, P.C.
Attorneys for Cedar Chemical Corporation
and Vicksburg Chemical Company
Debtors and Debtors-in-Possession
460 Park Avenue
New York, NY 10022-1906
(212) 752-8000
Joshua J. Angel, Esq. (JA-3288)
Bruce Frankel, Esq. (BF-9009)
Bonnie L. Pollack, Esq. (BP-3711)
Frederick E. Schmidt, Esq. (FS-5277)

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

-----X

In re: Chapter 11

CEDAR CHEMICAL CORPORATION and Case Nos. 02-11039 (SMB) and
VICKSBURG CHEMICAL COMPANY, 02-11040 (SMB)

Debtors. Jointly Administered

-----X

**MOTION FOR AN ORDER FIXING DATES, TIMES AND PLACE OF
HEARINGS ON MOTION FOR FURTHER ORDERS PURSUANT TO,
INTER ALIA, SECTIONS 105, 363(b), 363(f), 363(m) and 365 OF THE
BANKRUPTCY CODE AND RULES 2002, 6004, 6006, 9002, 9007 AND
9008 OF THE FEDERAL RULES OF BANKRUPTCY PROCEDURE:
(i) AUTHORIZING THE DEBTOR TO SELL CERTAIN ASSETS FREE
AND CLEAR OF LIENS AND CLAIMS TO WESTRADE USA, INC. OR
TO ANY BIDDER SUBMITTING A HIGHER OR BETTER OFFER
PURSUANT TO THE TERMS OF A PURCHASE AGREEMENT; (ii)
AUTHORIZING THE DEBTOR TO ASSUME AND ASSIGN CERTAIN
EXECUTORY CONTRACTS TO WESTRADE USA, INC. AND TO
REJECT CERTAIN EXECUTORY CONTRACTS; (iii) APPROVING A
BREAK-UP FEE AND BIDDING PROCEDURES; (iv) FIXING MANNER
AND EXTENT OF NOTICE OF SALE HEARING; (v) AUTHORIZING
THE EXEMPTION OF THE SALE FROM THE PROVISIONS OF
BANKRUPTCY RULES 6004(g) AND 6006(d), AND (vi) GRANTING
RELATED RELIEF**

The Motion ("Motion") of Cedar Chemical Corporation, debtor and debtor-in-possession
herein ("Cedar"), by its attorneys Angel & Frankel, P.C., respectfully represents as follows:

INTRODUCTION

1. This Motion is brought pursuant to, *inter alia*, sections 105, 363(b), 363(f), 363(m) and 365 of title 11, United States Code (the "Bankruptcy Code") and Rules 2002, 6004, 6006, 9002, 9007, and 9008 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules").

2. In the first instance Cedar requests that the Court enter an order substantially in the form annexed hereto as Exhibit "A" (the "Notice Order"), scheduling two hearings: first, a hearing (the "Procedures Hearing") to be scheduled as soon as possible to consider approval of the procedures for the sale of certain assets of Cedar to Westrade USA, Inc. ("Westrade") as set forth in the Purchase Agreement (the "Agreement") annexed hereto as Exhibit "B". At the Procedures Hearing, Cedar will seek the entry of an order substantially in the form annexed hereto as Exhibit "C" (the "Procedures Order"), *inter alia*, approving bidding procedures and notice provisions, and granting Westrade a break-up fee (the "Break-Up Fee").

3. The second hearing (the "Approval Hearing") is requested pursuant to, *inter alia*, sections 363 and 365 of the Bankruptcy Code and Bankruptcy Rules 6004 and 6006. At the Approval Hearing, Cedar will request entry of an order substantially in the form annexed hereto as Exhibit "D" (the "Approval Order") (a) authorizing it to sell certain of its assets to Westrade or to such other entity which submits a higher or better bid for these assets, (b) authorizing Cedar to assume and assign certain executory contracts to Westrade, and to reject a certain contract, and (c) excepting the sale from the provisions of Bankruptcy Rules 6004(g) and 6006(d).

BACKGROUND

4. On March 8, 2002 (the "Petition Date"), Cedar, together with its wholly-owned subsidiary Vicksburg Chemical Company ("Vicksburg"; collectively, the "Debtors") filed

voluntary petitions for relief under chapter 11 of the Bankruptcy Code and an order for relief under section 301 of the Bankruptcy Code was simultaneously entered in this case.

5. The Debtors have been authorized to remain in possession of their property and to continue managing their businesses as debtors-in-possession pursuant to sections 1107 and 1108 of the Bankruptcy Code.

6. An official committee of unsecured creditors has been appointed in Debtors' case and has retained the law firm of Satterlee Stephens Burke & Burke, LLP as its counsel.

7. Cedar has a 49% membership interest and a 50% profit/loss interest in RiceCo LLC, a Delaware Limited Liability Company ("RiceCo"). Cedar's membership and profit/loss interest in RiceCo emanates from the Amended and Restated Limited Liability Company Agreement of RiceCo, LLC dated April 29, 2000 between Cedar and Griffin LLC (the "LLC Agreement"). As provided for in the LLC Agreement, Cedar is also party to two other agreements with RiceCo. First, Cedar is a party to a manufacturing agreement dated April 29, 2000 by and among it, RiceCo and Griffin LLC (the "Manufacturing Agreement"), whereby Cedar and Griffin each produce and sell to RiceCo 50% of RiceCo's requirements for the product known as "propanil". In addition, Cedar and RiceCo are parties to a services agreement dated August 5, 1997, and amended April 29, 2000 (the "Services Agreement"),¹ whereby Cedar provided management and administrative services to RiceCo at the premises occupied by Cedar and RiceCo in Memphis, Tennessee².

8. Cedar believes that its interest in RiceCo, including its interest in the LLC Agreement and the Manufacturing Agreement, are valuable assets of its estate. Since Cedar is

¹ Due to the voluminous nature of the LLC Agreement, the Manufacturing Agreement and Services Agreement, the same are not annexed hereto, but are available upon request from Cedar's counsel.

² Cedar recently received Court approval to reject its lease for that premises and enter into a new lease for a much smaller portion of the premises.

no longer operating, Cedar sought a purchaser for its interest in RiceCo. As set forth below, Cedar extensively negotiated a sale of its RiceCo interest to Westrade and, on or about February 5, 2003, entered into the Agreement with Westrade subject to Bankruptcy Court approval. This Motion seeks to set the procedures for the sale to Westrade or such other higher or better bidder, and for approval of such sale by the Bankruptcy Court.

THE AGREEMENT³

9. Pursuant to the Agreement, Cedar has agreed to sell to Westrade the following assets (the "Property"):

(a) All of Cedar's right, title and interest in and to RiceCo, including but not limited to Cedar's 49% membership interest in RiceCo and 50% profit/loss interest in RiceCo;

(b) Cedar's rights under the LLC Agreement; and

(c) Cedar's rights under the Manufacturing Agreement.

The Property does not include (i) any monies, including but not limited to dividends, owed by RiceCo to Cedar for the period prior to the Closing Date, under, in connection with or pursuant to the LLC Agreement, Manufacturing Agreement or otherwise, or (ii) Cedar's rights under the Services Agreement. All Property is being sold as is, where is, without representation or warranty except as otherwise specified in the Agreement.

³ The following is a summary of the terms of the Agreement. The Agreement should be reviewed by interested parties in its entirety. In the event of an inconsistency between the summary herein and the Agreement, the Agreement shall control. Any capitalized term used but not otherwise defined herein shall have the meaning ascribed in the Agreement.

10. The Purchase Price under the Agreement is \$5,500,000, subject to a maximum downward adjustment of \$397,819 as detailed in paragraph 2(c) of the Agreement. Cedar has been paid a deposit of \$550,000 and will be paid the balance of the Purchase Price at Closing in cash. There is no financing contingency. In addition, Westrade will also assume all obligations of Cedar arising after the Closing Date under the LLC Agreement and the Manufacturing Agreement.

11. It is a condition of Closing that Cedar obtain an order of the Bankruptcy Court approving the sale of the Property to Westrade in accordance with the Agreement free and clear of any liens, claims and encumbrances, authorizing the assumption and assignment to Westrade of the LLC Agreement and the Manufacturing Agreement, authorizing rejection of the Services Agreement and approving the Break-Up Fee as discussed below. In the event that such an order is not entered on or before March 22, 2003, Westrade has the right to terminate the Agreement and obtain a return of its deposit.

12. It is also a condition of Closing that there is no material adverse change in the business or financial condition of RiceCo since July 31, 2002. Lastly, Westrade's obligation to close is conditioned upon either the Bankruptcy Court entering an order finding that RiceCo is not a potentially responsible party (a "PRP") in connection with environmental claims by the Arkansas Department of Environmental Quality ("ADEQ") relating to Cedar or its property, or the ADEQ's release of, and agreement not to pursue, its claim that RiceCo is such a PRP. Cedar recently made a motion to the Bankruptcy Court seeking such relief, which motion is returnable on February 27, 2003. That motion is incorporated herein by reference.

THE PROCEDURES HEARING

13. Cedar requests that the Court schedule, as soon as possible, the Procedures Hearing to consider its request for approval of the Break-Up Fee and to establish the bidding procedures and notice provisions for the sale of the Property. Cedar submits that the proposed Break-Up Fee, bidding procedures and notice provisions are reasonable and necessary to obtain the best value for the Property. These fees and procedures are, moreover, consistent with past practices of both this Court and other bankruptcy courts and within the range of fees and type of procedures often approved.

A. Break-Up Fee

14. The Agreement is conditioned on approval of the payment of a \$150,000 Break-Up Fee in the event that Westrade is not the successful bidder for the Property, provided that Westrade is not otherwise in breach of the Agreement and confirms on the record at the Approval Hearing that it was otherwise ready, willing and able to close in accordance with the terms of the Agreement. Cedar has agreed to the Break-Up Fee as reasonable in light of Westrade's costs and expenses in connection with this transaction.

15. Without the Break-Up Fee, Westrade indicated that it would not enter into the Agreement which is clearly valuable to Cedar's estate. Cedar has not been able to sell the Property to any other entity to date and believes that if the value of the Property is to be preserved, the Break-Up Fee must be approved.

16. Courts evaluate a break-up fee in light of the benefit it confers on a debtor's estate, whether it fosters or hinders competitive bidding, is necessary to attract an initial bidder or "stalking horse" and is reasonably proportionate to the contract purchase price. See, e.g., In re Bidermann Industries, Inc., 203 B.R. 547 (Bankr. S.D.N.Y. 1997). Courts typically consider a break-up fee appropriate if the bidder helped the estate put the property in a "sales configuration

mode” to attract other bidders to the auction. In re Financial News Network, Inc., 126 B.R. 152 (Bankr. S.D.N.Y. 1991). Bankruptcy courts have approved bidding incentives similar to the Break-Up Fee under the “business judgment rule”, which proscribes judicial second-guessing of the actions of a corporation's board of directors taken in good faith and in the exercise of honest judgment. In re Marrose Corp., Case Nos. 89 B 12171-12179 (CB), 1992 WL 33848 at *5 (Bankr. S.D.N.Y. 1992) (bidding incentives are “meant to compensate the potential acquirer who serves as a catalyst or ‘stalking horse’ which attracts more favorable offers”). See also In re 995 Fifth Ave. Assocs., L.P., 96 B.R. 24, 28 (Bankr. S.D.N.Y. 1989) (bidding incentives may be “legitimately necessary to convince a white knight to enter the bidding by providing some form of compensation for the risks it is undertaking”) (citation omitted).

17. Cedar submits that the justification for granting break-up fees exists in this case. Westrade is paying substantial consideration – – \$5,500,000 – –for the Property. Based on the Purchase Price, the Break-Up Fee represents 2.7% of the consideration – – a typical percentage granted in both bankruptcy and non-bankruptcy transactions of this nature. Westrade has agreed to acquire the Property knowing that it would be subject to competitive bidding. Westrade was unwilling to risk losing the extensive time and costs of its due diligence and negotiation unless it received a Break-Up Fee.

18. Moreover, it is through Westrade's negotiation and due diligence that this Property is being brought to the market. Other competitive bidders can rely on the knowledge that Westrade has thoroughly reviewed and negotiated this transaction in making its own competitive bid. This “stalking horse” role is important in sales such as this one and fosters, rather than hinders, competitive bidding. This is especially true considering the fact that the Break-Up Fee is only 2.7% of the consideration being paid. Although other entities have

performed the due diligence to determine whether they had an interest in purchasing the Property, none of those entities has, to date, submitted to Cedar a binding offer which Cedar can bring to the market other than Westrade. The bidding procedures provide a mechanism for increased bids; thus, a floor has been established. Accordingly, even if Westrade is ultimately not the successful bidder, Cedar and its estate will have benefited from the floor established by its bid.

19. Cedar submits that the Break-Up Fee is therefore reasonable and will enable Cedar to maximize the value of its estate. The Break-Up Fee is not excessive compared to fees and reimbursements approved in other cases in this Circuit nor will it diminish Cedar's estate. Bidding incentives such as the one proposed herein enable a debtor to assure a sale to a contractually committed bidder at a price that the debtor believes is fair and reasonable, while providing the debtor with the opportunity of obtaining even greater benefits for the estate through an auction process. Based on the time and effort spent by Cedar and Westrade in connection with due diligence and the negotiation of the Agreement, Cedar does not believe that the Break-Up Fee represents any windfall to Westrade, and believes that cause exists to approve the Break-Up Fee in connection with this transaction.

20. Based on the foregoing, Cedar requests that the Court approve the Break-Up Fee at the Procedures Hearing.

B. Bidding Procedures

21. Cedar also requests approval of bidding procedures in connection with this sale, which are fully set forth in the proposed Procedures Order annexed hereto as Exhibit "C". Cedar submits that the proposed procedures are reasonable and will ensure an orderly sale which is fair to Cedar, its creditors, Westrade and any third-party entity who wishes to participate in the

bidding. At the same time, the Procedures Order will eliminate any entity from bidding which lacks the financial ability to close under the Agreement.⁴

C. Notice Provisions

22. Federal Rule of Bankruptcy Procedure 2002(a) provides, in relevant part that:

- (a) Twenty-day notices to parties in interest. Except as provided in subdivisions (h), (i), and (l) of this rule, the clerk or some other person as the court may direct, shall give the debtor, the trustee, all creditors and indenture trustees at least 20 days notice by mail of ...
- (2) a proposed use, sale, or lease of property of the estate other than in the ordinary course of business, unless the court for cause shown shortens the time or directs another method of giving notice
-

Fed. R. Bankr. P. 2002(a)(2).

23. Cedar proposes to serve notice of the Motion and the Procedures Hearing by serving a copy of the Notice Order and this Motion including all exhibits hereto, by overnight delivery service for next business day receipt upon: (a) The United States Trustee; (b) counsel to the Creditors' Committee; (c) counsel to the Agent for the Lenders; (d) Westrade's counsel; (e) counsel to RiceCo; (f) all entities known to Cedar to have expressed an interest in the Property; (g) all non-Debtor parties to the LLC, Management and Services Agreements; and (h) all entities who have filed and served upon Cedar's counsel a notice of appearance and request for papers in this case (collectively, the "Prime Recipients").

24. Cedar further proposes to give notice of the Approval Hearing by serving a copy of the Procedures Order via first-class mail, postage prepaid, upon all Prime Recipients.

⁴ As part of the bidding procedures, Cedar requests that any competing bids start with a cash offer of at least \$250,000 higher than Westrade's offer, to cover the Break-Up Fee and first incremental bid amount. Thereafter, Cedar proposes that subsequent cash bids be in increments of not less than \$100,000, and reserves the right to seek to increase the bidding increments at the Approval Hearing.

25. Cedar also proposes to publish notice of the Approval Hearing substantially in the form annexed to the Procedures Order as Exhibit "1" in the National Edition of *The New York Times* at least fifteen (15) days prior to the Approval Hearing.

26. Cedar submits that the time and manner of its proposal is reasonable, is typical of notice provisions in asset sales, and is permissible pursuant to sections 102, 105, 363(b), (f) and (m) and 365 of the Bankruptcy Code and Bankruptcy Rules 2002, 6004, 6006, 9007 and 9008. To the extent that the notice of the Approval Hearing is ultimately less than the time required by Rule 2002, Cedar requests that notice be shortened accordingly pursuant to Rule 9006(1) for the reasons set forth herein.

27. Based on the foregoing, Cedar submits that, at the Procedures Hearing, the Procedures Order should be entered including both the Break-Up Fee and the bidding procedures and notice provisions discussed above, which Cedar submits are all fair, reasonable and necessary herein.

THE APPROVAL HEARING

28. It is also requested that, at the Approval Hearing, the Court authorize a sale of the Property under section 363(b) of the Bankruptcy Code. Section 363(b)(1) of the Bankruptcy Code provides that "[the] trustee, after notice and a hearing, may use, sell, or lease, other than in the ordinary course of business, property of the estate." 11 U.S.C. § 363(b)(1).

29. Section 363 does not set forth a standard for determining when it is appropriate for a court to authorize the sale or disposition of a debtor's assets prior to confirmation of a plan. However, courts in the Second Circuit and others have allowed a debtor to sell property of its estate outside of the ordinary course of its business, pursuant to section 363(b)(1) of the Bankruptcy Code, where the sale represents an exercise of the debtor's sound business judgment.

See In re Gucci, 126 F.3d 380, 387 (2d Cir. 1997) (“A sale of substantial part of a Chapter 11 estate may be conducted if a good business reason exists to support it”); In re Chateaugay Corp., 973 F.2d 141 (2d Cir. 1992) (recognizing that the sale of the debtors’ Assets pursuant to Section 363 was appropriate where the debtors “advanced good business reasons” for the sale and it was “a reasonable exercise of the debtors’ business judgment” to consummate the sale); Stephens Indus. v. McClung, 789 F.2d 386, 390 (6th Cir. 1986) (“bankruptcy court can authorize a sale of all a Chapter 11 debtor’s assets under § 363(b)(1) when a sound business purpose dictates such action”); In re Lionel Corp., 722 F.2d 1063, 1071 (2d Cir. 1983) (the standard for bankruptcy court approval of a sale of assets under Section 363 is whether there is a “good business reason” for the sale); In re Delaware & Hudson Ry. Co., 124 B.R. 169, 176 (D. Del. 1991) (“The Second and Sixth Circuit Courts of Appeal require that the trustee show there is a sound business purpose for conducting the sale prior to confirmation of a plan.”); In re Phoenix Steel Corp., 82 B.R. 334, 33536 (Bankr. D. Del. 1987) (stating that judicial approval of a section 363 sale requires a showing that the proposed sale is fair and equitable, a good business reasons exists for completing the sale and that the transaction is in good faith); 3 *Collier on Bankruptcy* ¶ 363.02[4] (15th ed. rev. 1997) (generally recognized that a sale of substantially all of the debtor’s assets can be accomplished pursuant to section 363(b)).

30. The “sound business purpose” test requires a debtor to establish four elements as a prerequisite to selling property outside the ordinary course of business. Specifically, a debtor must demonstrate that (a) a sound business justification exists for the sale of assets outside the ordinary course of business; (b) adequate and reasonable notice of the sale and hearing has been provided to interested persons; (c) the proposed sale price is fair and reasonable; and (d) the parties have acted in good faith. See e.g. In re Lionel Corp., 722 F. 2d at 1071 (noting that notice

is required by statute and finding that the debtor must provide some “articulated business justification” for the §363(b) sale); see also In re Abbotts Dairies of Penn, Inc., 788 F. 2d 143 (3rd Cir. 1986) (finding of good faith by purchaser is necessary to satisfy requirements of §363(m)); In re Titusville Country Club, 128 B.R. 396 (Bankr. W.D. Pa. 1991) (“sound business purpose” test has four requirements: (i) sound business reason for the sale; (ii) accurate and reasonable notice; (iii) adequate (fair and reasonable) price; and (iv) good faith); In re Delaware & Hudson Ry., *supra*, 124 B.R. at 176 (D. Del. 1991) (“sound business purpose” required for conducting a sale of the debtor’s assets prior to confirmation of a plan); Phoenix Steel, *supra*, 82 B.R. at 335-36 (requirements for approval of asset sale under Section 363 are that the proposed sale is fair and equitable, that there is a good business reason for completing the sale and the transaction is in good faith); 3 *Collier on Bankruptcy* ¶363.02[4] (15th ed. rev. 1997). Courts have made it clear that a debtor’s showing of a sound business justification need not be unduly exhaustive. Instead, a debtor is “simply required to justify the proposed disposition with sound business reason.” In re Baldwin United Corp., 43 B.R. 888, 906 (Bankr. S.D. Ohio 1984). Cedar submits that its proposed sale satisfies the criteria set forth above and that the proposed sale of the Property is based upon its sound business judgment.

31. First and foremost, the sale of the Property is supported by compelling business reasons. Cedar is liquidating its assets for the benefit of its creditors. This is the last remaining significant asset to be liquidated and Cedar is receiving substantial value for the Property.

32. Furthermore, there is no purpose to be served by awaiting the confirmation of a chapter 11 plan before the Property is sold. Since Cedar is liquidating its assets, any chapter 11 plan would most likely require a disposition of the Property consistent with the relief being sought herein. Under the current approach, the value of the Property will be maximized on an

expedited basis, and a plan can then be promulgated and confirmed, incorporating the value received by Cedar from a disposition of the Property together with its other assets.

33. In addition, the proposed bidding procedures provide for appropriate notice and a hearing on the sale of the Property. The bidding procedures are designed to result in consideration to be paid by the successful bidder that would be fair and reasonable. Pursuant to the bidding procedures, Cedar will confirm the fairness of the sale price by soliciting higher or better offers for the Property. The bidding procedures thereby insure that Cedar's estate ultimately realizes the maximum available value for the Property and that the sale price is fair and reasonable.

34. The bidding procedures are also designed to ensure that the sale is an arm's length, good faith sale. Cedar will show at the Approval Hearing that the purchase of the Property is in good faith in accordance with section 363(m) of the Bankruptcy Code and was negotiated and proposed in good faith by Westrade or such other successful bidder and Cedar, and that no purchaser is an insider of Cedar as that term is defined in section 101(31) of the Bankruptcy Code, but an independent purchaser of the Property.

35. The proposed sale of the Property is in the best interests of Cedar's creditors and will be conducted pursuant to procedures that will ensure that the highest possible price is paid for the Property. Any delay in consummating a sale of the Property may diminish the current value of the Property and decrease the funds ultimately available for distribution to Cedar's creditors. Therefore, the creditors' best interests are served by authorizing Cedar to sell the Property pursuant to section 363 of the Bankruptcy Code and Cedar therefore requests that the Approval Order be entered in this regard.

**THE SALE SHOULD BE APPROVED PURSUANT TO SECTION 363(f)
OF THE BANKRUPTCY CODE**

36. Section 363(f) of the Bankruptcy Code permits the sale of assets free and clear of liens, claims and encumbrances with any such liens, claims and encumbrances attaching to the proceeds of the sale. Section 363(f) provides:

The trustee may sell property under subsection (b) or (c) of this section free and clear of any interest in such property of an entity other than the estate, only if –

(1) applicable non-bankruptcy law permits sale of such property free and clear of such interest; (2) such entity consents; (3) such interest is a lien and in the price at which such property is to be sold is greater than the aggregate value of all liens on such property; (4) such interest is in *bona fide* dispute; or (5) such entity could be compelled, in a legal or equitable proceeding, to accept a money satisfaction of such interest.

11 U.S.C. § 363(f).

37. Based on section 363(f), Cedar therefore requests authorization to sell the Property free and clear of any liens, claims and encumbrances, with such liens, claims and encumbrances to attached to the proceeds of the sale of the Property. Cedar's pre-petition Lenders hold a lien against substantially all of Cedar's assets, including the Property. The proceeds of the sale will therefore be paid to the Lenders and, upon information and belief, the Lenders consent to the sale. As a result of the Lenders' consent, the contemplated sale of the Property satisfies the requirements of section 363(f) of the Bankruptcy Code.

**THE ASSIGNMENT OF THE LLC AGREEMENT AND
THE MANUFACTURING AGREEMENT TO WESTRADE, AND THE
REJECTION OF THE SERVICES AGREEMENT, SHOULD BE APPROVED**

38. As set forth above, the Agreement provides for the assignment of the LLC Agreement and the Manufacturing Agreement to Westrade, and for the rejection of the Services Agreement. Cedar submits that all of this relief should be granted.

A. Assumption and Assignment

39. The assumption and assignment of the LLC Agreement and the Manufacturing Agreement to Westrade is an integral part of the proposed sale. As to the LLC Agreement, such an assignment is clearly necessary if Cedar is to sell its interest in RiceCo to any purchaser. Moreover, the Manufacturing Agreement is itself an integral part of the transaction. That Agreement provides a significant benefit to Cedar and therefore to any assignee of Cedar, since Cedar's assignee would obtain the right to supply 50% of RiceCo's requirements for propanil. Because the Manufacturing Agreement is a major component of Cedar's interest in RiceCo, the Agreement is premised on the assumption of the Manufacturing Agreement in addition to the LLC Agreement.

40. Section 365(a) of the Bankruptcy Code⁵ authorizes a debtor-in-possession to assume an executory contract or unexpired lease subject to the Bankruptcy Court's approval. Section 365(b) of the Bankruptcy Code⁶ requires that the debtor-in-possession satisfy certain requirements at the time of assumption if a default exists under a contract to be assumed.

41. The decision as to whether an executory contract or unexpired lease should be assumed or rejected is based on the debtor's exercise of its "business judgment". NLRB v. Bildisco & Bildisco, 465 U.S. 513, 523 (1984) (describing business judgment test as

⁵ Section 365(a) of the Bankruptcy Code provides:

(a) Except as provided in sections 765 and 766 of this title and in subsections (b),(c) and (d) of this section, the trustee, subject to the court's approval, may assume or reject any executory contract or unexpired lease of the debtor.

⁶ Section 365(b) of the Bankruptcy Code states, in relevant part:

(b)(1) If there has been a default in any executory contract or unexpired lease of the debtor, the trustee may not assume such contract or lease unless, at the time of assumption of such contract or lease, the trustee—

(A) cures, or provides adequate assurance that the trustee will promptly cure, such default;
(B) compensates, or provides adequate assurance that the trustee will promptly compensate, a party other than the debtor to such contract or lease, for any actual pecuniary loss to such party resulting from such default; and
(C) provides adequate assurance of future performance under such contract or lease.

"traditional"); In re III Enterprises, Inc., V, 163 B.R. 453, 469 (Bankr. E.D. Pa. 1994) (citations omitted).

42. It is submitted that the requirements of section 365(b) are met here. First, the Debtor contends that there are no uncured breaches under the LLC Agreement or the Manufacturing Agreement which are required to be cured under section 365. As to the LLC Agreement, the only conceivable breach was Cedar's bankruptcy filing which, on its own, is insufficient to prevent an assumption and assignment of the LLC Agreement. As to the Manufacturing Agreement, as the Court was previously advised in connection with a motion by RiceCo to compel the termination of the Manufacturing Agreement and as set forth above, under the Manufacturing Agreement Cedar and Griffin each have the right to supply 50% of RiceCo's propanil requirements. If for any reason either such member is unable to supply its propanil requirement, the other member has the right to supply the short-fall to RiceCo. If the other member chooses not to supply some or all of the short-fall, the original non-producing party may obtain it from the marketplace and supply it to RiceCo. As the Court was also previously advised, rather than giving Cedar notice of default under the Manufacturing Agreement for any failure to supply propanil, which would have enabled Cedar to obtain propanil from the marketplace and supply it to RiceCo in the event Griffin declined to produce the propanil itself, Griffin itself either supplied the propanil or obtained it from the marketplace and provided it to RiceCo and/or RiceCo itself procured it from the market. Thus, it is Cedar's contention that there is no uncured breach or damages since, essentially, any breach, if at all, was cured by Griffin and RiceCo themselves. Based on this, Cedar again submits that there are no uncured breaches under the Manufacturing Agreement required to be cured under section 365 of the Bankruptcy Code.

43. Moreover, the Debtor believes that Westrade can clearly satisfy the requirements of adequate assurance of future performance under the LLC and Manufacturing Agreements. First, it should be noted that Westrade at one time owned an interest in RiceCo before it was sold to Griffin. As a result, Westrade is fully familiar with the business and the operations of RiceCo and is more than capable of satisfying its obligations under the LLC Agreement. Furthermore, Westrade and its affiliates have been major participants in the propanil industry and have the experience and facilities to be leading suppliers of propanil. Thus, Westrade can certainly satisfy its performance obligations under the Manufacturing Agreement.

44. Based on the foregoing, it is therefore submitted that the LLC Agreement and the Manufacturing Agreement should both be assumed and assigned to Westrade and that the standards for doing so under section 365 of the Bankruptcy Code are established in this case.

B. Rejection

45. The Agreement further provides for the rejection of the Services Agreement. As set forth above, under the Services Agreement, Cedar provided management and administrative services to RiceCo at the premises occupied by Cedar and RiceCo in Memphis, Tennessee.

46. The legal requirements for rejection of an executory contract are set forth above. It is submitted that it is in the best interest of Cedar's estate, and in the sound exercise of Cedar's business judgment, to reject the Services Agreement.

47. Cedar is no longer operating and maintains only a very small portion of its original corporate office premises. Cedar's staff is now virtually non-existent as well. Cedar, therefore, is no longer capable of performing its obligations under the Services Agreement. Westrade will not be operating out of the Memphis, Tennessee premises and does not desire to provide the management and administrative services previously provided by Cedar under the

Services Agreement. However, since the Services Agreement forms a part of the LLC Agreement, it is necessary that it be rejected. It should be noted that Cedar will not be prejudiced by the rejection of the Services Agreement since it has no value to the estate and Cedar will not be performing under the Services Agreement in any event. Therefore, it is submitted that the Services Agreement should be rejected in the exercise of Cedar's business judgment.

**EXEMPTION OF SALE FROM
BANKRUPTCY RULES 6004(g) AND 6006(d)**

48. It is important that the asset sale proceed expeditiously, and Cedar and Westrade therefore intend to consummate the sale as soon as possible after entry of the Approval Order. As set forth above, the terms of this sale are fair, reasonable and in the best interest of the estate, and Westrade or such other successful bidder will be entitled to the protections of section 363(m) of the Bankruptcy Code.

49. Accordingly, Cedar is hereby requesting that the Approval Order not be stayed pursuant to, and that the Court waive the provisions of, Bankruptcy Rules 6004(g) and 6006(d).

REQUEST FOR EXPEDITED RELIEF

50. Cedar requests that the Court schedule both the Procedures Hearing and the Approval Hearing on an expedited basis. The timing of the Approval Hearing is of critical concern to Westrade. Because of this, the Agreement is conditioned on obtaining the Approval Order by March 22, 2003. It is therefore requested that in order to meet that time criteria, this process occur on an expedited basis.

MEMORANDUM OF LAW

51. Cedar submits that the relevant legal authorities are set forth herein, that no new or novel issues are involved, and therefore requests that the requirement set forth in the local rules for submission of a memorandum be otherwise waived.

NO PRIOR REQUEST

52. No previous request for the relief sought herein has been made to this or any other Court.

WHEREFORE, Cedar respectfully requests that the Court (i) enter the Notice Order, substantially in the form annexed hereto as Exhibit "A"; (ii) enter the Procedures Order, substantially in the form annexed hereto as Exhibit "C", after the Procedures Hearing; (iii) enter the Approval Order, substantially in the form annexed hereto as Exhibit "D", after the Approval Hearing; and (iv) grant Cedar such other relief as is just and proper.

Dated: New York, New York
February 10, 2003

ANGEL & FRANKEL, P.C.
Attorneys for Cedar Chemical Corporation
and Vicksburg Chemical Corporation
Debtors and Debtors-in-Possession

By: /s/ Bonnie L. Pollack
Joshua J. Angel, Esq. (JA-3288)
Bruce Frankel, Esq. (BF-9009)
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(212) 752-8000



Courtney Kudla

09/24/03 01:30 PM

To: Vena Webb/R6/USEPA/US@EPA

cc:

Subject: don't hate me

For future reference....

The OSC for Parawax is Chris Ruhl.

Courtney Kudla
Enforcement Officer
EPA Region 6, Dallas, TX
Phone #: 214-665-8008

EXHIBIT A

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

-----X

In re:

Chapter 11

CEDAR CHEMICAL CORPORATION and
VICKSBURG CHEMICAL COMPANY,

Case Nos. 02-11039 (SMB) and
02-11040 (SMB)

Debtors.

Jointly Administered

-----X

**ORDER FIXING DATES, TIMES AND PLACE OF HEARINGS TO
CONSIDER MOTION FOR FURTHER ORDERS PURSUANT TO
SECTIONS 105, 363(b), 363(f), 363(m) AND 365 OF THE BANKRUPTCY
CODE AND FED. R. BANKR. P. 2002, 6004, 6006, 9006, 9007 AND 9008,
INTER ALIA: (A) AUTHORIZING DEBTOR TO SELL CERTAIN
ASSETS FREE AND CLEAR OF LIENS AND CLAIMS TO WESTRADE
USA, INC. OR TO ANY HIGHER OR BETTER BIDDER PURSUANT TO
THE TERMS OF A PURCHASE AGREEMENT; (B) APPROVING A
BREAK-UP FEE AND BIDDING PROCEDURES; (C) APPROVING THE
ASSUMPTION AND ASSIGNMENT, AND REJECTION, OF CERTAIN
EXECUTORY CONTRACTS; (D) FIXING MANNER AND EXTENT OF
NOTICE OF SUCH HEARINGS; (E) AUTHORIZING THE EXEMPTION
OF THE SALE FROM THE PROVISIONS OF BANKRUPTCY RULES
6004 (g) AND 6006(d); AND (F) GRANTING RELATED RELIEF**

Upon the motion ("Motion") of Cedar Chemical Corporation, debtor and debtor-in-possession herein ("Cedar") dated February 10, 2003, for an order approving notices and procedures and fixing dates, times and place of hearings to consider a motion for further orders pursuant to sections 105, 363(b), 363(f), 363(m) and 365 of the Bankruptcy Code and Fed. R. Bankr. P. 2002, 6004, 6006, 9006, 9007 and 9008:

- (a) authorizing Cedar to (i) sell the Property, as defined in a certain Purchase Agreement dated as of February 5, 2003 (the "Agreement"; Exhibit B to Motion) between Cedar and Westrade USA, Inc. ("Westrade"), to Westrade or to any third-party bidder submitting a higher or better offer free and clear of liens, claims, and encumbrances, with

all such liens to transfer, affix and attach to the consideration paid for the Property; and
(ii) assume and assign certain executory contracts, and to reject a certain contract, in connection with a sale of the Property as described in the Agreement; all as to be approved by the Court at a further hearing (the "Approval Hearing");

(b) approving certain bidding procedures and a break up fee (the "Break-Up Fee") to Westrade; and

(c) fixing the manner and extent of notice of such hearings;

and the Court finding that: (i) it has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334; (ii) this is a core proceeding pursuant to 28 U.S.C. §§ 157(b)(2)(A), (N) and (O); (iii) the relief granted herein is in the best interests of Cedar and its estate and creditors; and (iv) the legal and factual bases set forth in the Motion establish just cause for the relief granted herein; and due deliberation having been had and sufficient cause appearing therefor; it is hereby

ORDERED, ADJUDGED AND DECREED THAT:

1. On _____, 2003 at _____ a.m., or as soon thereafter as counsel can be heard, a hearing (the "Procedures Hearing") will be held before the Honorable Stuart M. Bernstein, Chief United States Bankruptcy Judge, at the United States Bankruptcy Court for the Southern District of New York, the Alexander Hamilton Custom House, One Bowling Green, New York, NY 10004, to consider entry of an order, substantially in the form annexed as Exhibit "C" to the Motion: (i) specifying the terms and conditions for competing offers and establishing bidding procedures, (ii) approving the Break-Up Fee as provided for in the Agreement, (iii) approving the manner and extent of notice of the Approval Hearing; and (iv) granting related relief (the "Procedures Order").

2. On _____, 2003 at _____ a.m., or as soon thereafter as counsel can be heard, the Approval Hearing will be held before the Honorable Stuart M. Bernstein, Chief United States Bankruptcy Judge at the United States Bankruptcy Court for the Southern District of New York, the Alexander Hamilton Custom House, One Bowling Green, New York, NY 10004, for an order substantially in the form annexed as Exhibit "D" to the Motion (i) authorizing the sale of the Property to Westrade, or to a third party whose competing offer is the highest or best offer, (ii) authorizing the assumption and assignment to Westrade of the LLC Agreement and Management Agreement (as those terms are defined in the Motion), (iii) authorizing the rejection of the Services Agreement (as defined in the Motion), all consistent with the terms of the bidding procedures provided for under the Procedures Order, and (iv) otherwise authorizing the relief requested in the Motion.

3. Cedar shall give notice of the Motion and the Procedures Hearing by overnight delivery service, for next business day receipt, by providing a copy of this Order and the Motion with exhibits thereto on or before _____, 2003 to: (a) The United States Trustee; (b) counsel to the Creditors' Committee; (c) counsel to the Agent for the Lenders; (d) Westrade's counsel; (e) counsel to RiceCo, LLC; (f) all entities known to Cedar to have expressed an interest in the Property; (g) all non-Debtor parties to the LLC, Manufacturing and Services Agreements, and (h) all entities who have filed and served upon Cedar's counsel a notice of appearance and request for papers in this case. The form of notice set forth above shall constitute good and sufficient notice of the Procedures Hearing, and any requirements for other notice be, and hereby are, waived and dispensed with pursuant to Bankruptcy Rules 2002, 6006, 9006 and 9007 and section 105 of the Bankruptcy Code.

4. The Procedures Hearing may be adjourned from time to time without further notice to creditors or parties in interest other than by an announcement of said adjournment in Court or by notation on the Court's official calendar for the date scheduled for said Hearing.

5. Responsive papers or objections, if any, to the relief to be requested at the Procedures Hearing, must conform to the requirements of the Bankruptcy Code, the Bankruptcy Rules and the Local Rules of the United States Bankruptcy Court for the Southern District of New York, and must be in writing and filed with the Clerk of the Court (with a copy to the chambers of the undersigned) and a copy served upon: (a) Angel & Frankel, P.C., counsel for Cedar, Attn: Bonnie L. Pollack, Esq., 460 Park Avenue, New York, NY 10022-1906; and (b) The Office of the United States Trustee for the Southern District of New York, Attn: Brian Masumoto, Esq., 33 Whitehall Street, 21st Floor, New York, NY 10004, so as to be received by the above parties not later than 4:30 p.m. on _____, 2003.

Dated: New York, New York
_____, 2003

STUART M. BERNSTEIN
CHIEF UNITED STATES BANKRUPTCY JUDGE

EXHIBIT B
PURCHASE AGREEMENT

IMANAGE:63586_1

PURCHASE AGREEMENT

Between

CEDAR CHEMICAL CORPORATION

As Seller

and

WESTRADE USA, INC., a Delaware corporation

As Purchaser

Dated as of February 5, 2003

PURCHASE AGREEMENT

THIS PURCHASE AGREEMENT (this "Agreement") dated as of the ____ day of _____, 2003 between CEDAR CHEMICAL CORPORATION, as debtor and debtor in possession, having an address at 5100 Poplar Avenue, Suite 2414, Memphis, TN 38137 ("Seller") and WESTRADE USA, Inc., a Delaware corporation ("Purchaser").

RECITALS

WHEREAS, Purchaser desires to purchase from Seller the following described property ("Property"): all of Seller's right title and interest in and to RiceCo, LLC, a Delaware limited liability company ("RiceCo"), including but not limited to Seller's 49% Membership Interest in RiceCo and 50% Profits/Loss Interest in RiceCo, as such terms are defined in the Amended and Restated Limited Liability Company Agreement of RiceCo, LLC dated April 29, 2000, between Seller and Griffin L.L.C. (the "LLC Agreement"), Seller's rights under the LLC Agreement, and Seller's rights under the Manufacturing Agreement dated April 29, 2000 by and among Seller, RiceCo and Griffin L.L.C. (the "Manufacturing Agreement"), but excluding Seller's rights under the Services Agreement dated August 5, 1997, as amended April 29, 2000, between Seller and RiceCo (the "Services Agreement").

WHEREAS, on the 8th day of March, 2002, Seller filed a voluntary petition for relief under Chapter 11 of Title 11 of the United States Code (the "Bankruptcy Code") in the United States Bankruptcy Court for the Southern District of New York (the "Bankruptcy Court") (Case Nos. 02-11039 and 02-11040 jointly administered) and has since continued in the operation of its business and management of its property pursuant to sections 1107 and 1108 of the Bankruptcy Code.

WHEREAS, subject to the terms and conditions set forth herein, and the approval of the Bankruptcy Court, which is a condition of the sale of the Property pursuant to Section 363 of the Bankruptcy Code, Seller proposes to sell the Property to Purchaser and Purchaser proposes to purchase the Property from Seller, all for the Purchase Price and upon the terms and conditions hereinafter set forth.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and subject to the approval of the Bankruptcy Court, the parties hereto agree as follows:

1. PURCHASE AND SALE

Subject to the approval of the Bankruptcy Court and any higher or better offers received in accordance with Bidding Procedures to be approved by the Bankruptcy Court, Seller agrees to sell and convey to Purchaser, and Purchaser agrees to purchase from Seller, for the Purchase Price and upon the terms and conditions herein set forth, Seller's right, title and interest in and to the Property free and clear of any and all liens, claims and encumbrances, as is, where is, without any representation or warranty except as expressly set forth herein. The Property being sold hereunder does not include any monies, including but not limited to dividends, owed by RiceCo to the Seller for the period prior to the Closing Date (as defined below), under, in connection with or pursuant to the LLC Agreement, Manufacturing Agreement or otherwise.

Seller represents and warrants to Purchaser that the amount of such monies owed by RiceCo to the Seller, excluding dividends, does not exceed \$895,638 (the "Seller Claims") and that Seller will not assert any claims against RiceCo for more than that amount, plus a claim for unpaid dividends. Seller acknowledges that Purchaser has relied upon such representation and warranty in agreeing to purchase the Property on the terms set forth herein.

2. PURCHASE PRICE

(a) **Amount; Payment.** The purchase price for the sale of the Property is FIVE MILLION FIVE HUNDRED THOUSAND DOLLARS (\$5,500,000.00), subject to potential downward adjustment as provided below (the "Purchase Price").

Five Hundred Fifty Thousand and No/100 Dollars (\$550,000.00) (the "Deposit") shall be paid by Purchaser into escrow upon execution of this Agreement in accordance with the provisions of Section 3 of this Agreement, Three Hundred Ninety Seven Thousand Eight Hundred Nineteen and No/100 Dollars (\$397,819.00) (the "Price Adjustment Holdback") shall be paid by Purchaser into escrow on the Closing Date (as defined below) in accordance with the provisions of Section 3 of this Agreement, and the balance of the Purchase Price shall be paid by Purchaser to Seller on the Closing Date.

(b) **Assumption of Liabilities.** As part of the Purchase Price, Purchaser shall also assume all obligations of Cedar arising after the Closing Date (as defined below) under the LLC Agreement and the Manufacturing Agreement.

(c) **Adjustment to Purchase Price.** The parties acknowledge that Seller has asserted the Seller Claims against RiceCo and that RiceCo has asserted a claim against Seller in connection with costs incurred by RiceCo for reworking of product supplied by Seller (the "RiceCo Reworking Claim"). In the event that both the Seller Claims and the RiceCo Reworking Claim are finally resolved, either by final order of a court of competent jurisdiction or by settlement (the "Determination"), prior to 270 days after the Closing (as defined below), the Purchase Price shall be reduced by an amount (the "Adjustment Amount") equal to 50% of the difference between (i) the amount, if any, by which the amount due under the Seller Claims exceeds the amount due under the RiceCo Reworking Claim in accordance with the Determination, minus (ii) \$100,000. In no event shall the Purchase Price be increased. The Escrow Agent shall pay the Purchaser the Adjustment Amount from the Price Adjustment Holdback within 10 days after the Determination, shall then pay the balance of the Price Adjustment Holdback, if any, to the Seller, and shall pay to Purchaser and Seller the accrued interest, if any, on the portion of the Price Adjustment Holdback paid to them. In the event that the Determination is not made prior to 270 days after the Closing, the Purchase Price shall be reduced by an amount equal to the Price Adjustment Holdback, and the Escrow Agent shall pay the Purchaser the entire Price Adjustment Holdback, together with accrued interest thereon if any, within 10 days thereafter.

3. DEPOSIT; ESCROW TERMS

(a) **Deposit and Price Adjustment Holdback.** Upon execution hereof, Purchaser shall either (i) wire a transfer of immediately available funds or (ii) deliver a certified or official bank check, in the sum of Five Hundred Fifty Thousand Dollars (\$550,000.00) representing ten

percent (10%) of the Purchase Price (the "Deposit") payable to Angel & Frankel, P.C. ("Escrow Agent"), which shall be deposited by the Escrow Agent in a trust account. Escrow Agent shall have no obligation to deposit the Deposit into an interest bearing escrow account, but if the Deposit is deposited into an interest bearing account, any accrued interest shall be paid in accordance with Section 3(b)(ii) below. At the Closing, Purchaser shall either (i) wire a transfer of immediately available funds or (ii) deliver a certified or official bank check, in the sum of Three Hundred Ninety Seven Thousand Eight Hundred Nineteen and No/100 Dollars (\$397,819.00) (the "Price Adjustment Holdback") payable to Escrow Agent, which shall be deposited by the Escrow Agent in a trust account. Escrow Agent shall have no obligation to deposit the Price Adjustment Holdback into an interest bearing escrow account, but if the Price Adjustment Holdback is deposited into an interest bearing account, any accrued interest shall be paid in accordance with Section 2(c) above.

(b) Escrow Terms:

(i) General. Escrow Agent shall have no duties or responsibilities except those set forth herein. Escrow Agent shall not be bound by any modification, cancellation or rescission of this Agreement unless the same is in writing and signed by both Purchaser and Seller and, if Escrow Agent's duties hereunder are affected, by Escrow Agent.

(ii) Delivery. At the Closing (as hereinafter defined), Escrow Agent shall pay the Deposit, together with any interest accrued thereon, if applicable to Seller. Otherwise, and except as provided in Section 2(c), Escrow Agent shall not pay the Deposit, the Price Adjustment Holdback, or accrued interest thereon (the "Escrowed Funds") to either party unless (x) the party claiming to be entitled thereto gives notice of such entitlement to Escrow Agent and to the other party, including an affidavit containing the facts on which such claim is based and (y) the other party does not, within ten (10) days of such notice, give notice to Escrow Agent that the claim of the first party is disputed. If Escrow Agent receives notice within such ten (10) day period that the claim of entitlement to the Escrowed Funds is disputed, Escrow Agent shall continue to hold the Escrowed Funds in escrow and shall not pay such amounts to either party until such dispute is finally resolved by written agreement signed by both parties or by final order of the Bankruptcy Court. In the event of such a dispute, and until such dispute is resolved, Purchaser shall not be permitted to in any manner utilize the Property purchased from Seller hereunder. When such dispute is so resolved, Escrow Agent shall pay the Escrowed Funds, together with any interest accrued thereon, if applicable, to the party or parties entitled thereto pursuant to such final resolution. However, Escrow Agent shall also have the right, at any time after a claim of entitlement is disputed, to deposit the Escrowed Funds with the Bankruptcy Court, in which event Escrow Agent shall give notice of such deposit into court to Seller and Purchaser, and Escrow Agent shall be relieved and discharged of all further obligations and responsibilities hereunder.

(iii) Stakeholder. Escrow Agent is acting solely as stakeholder at the request of Seller and Purchaser and for their convenience. Purchaser acknowledges that Escrow Agent is counsel to Seller in its pending bankruptcy case and shall not be restricted in any manner whatsoever from acting as counsel to Seller with respect to any matter, and consents to the Escrow Agent so acting as attorneys for the Seller including, but not limited to, any matter related to this Agreement.

(iv) Reliance upon Instruments. Escrow Agent may rely and act upon any instrument or other writing believed by it to be genuine and purporting to be signed and presented by any person purporting to have authority to act on behalf of Seller or Purchaser, as the case may be. Escrow Agent shall not be liable in connection with the performance of any of its duties pursuant to this Agreement, except for its gross negligence or willful misconduct.

(v) Responsibility. Escrow Agent shall not be responsible in any manner for the validity or sufficiency of any securities, cash, instruments, letters of credit, documents, or any other property delivered hereunder, or for the value or collectibility of any note, check, letter of credit or other instrument or security so delivered, or for any diminution in value of any investment made by Escrow Agent. Nothing herein contained shall be deemed to obligate Escrow Agent to deliver any securities, cash instruments, letters of credit, documents or any other property referred to herein, unless the same shall have been received by Escrow Agent pursuant to this Agreement.

(vi) Resignation. Escrow Agent may at any time resign upon five (5) business days' notice to Seller and Purchaser. Seller and Purchaser shall jointly select a successor escrow agent and shall notify Escrow Agent of the name and address of such successor within five (5) business days after receipt of notice of Escrow Agent's intent to resign. If Escrow Agent has not received notice of the name and address of its successor within such period, Escrow Agent may select on behalf of Seller and Purchaser a bank or trust company to act as its successor, for such compensation as such bank or trust company shall reasonably require of Seller and Purchaser. At any time after such five (5) business day period, Escrow Agent shall have the right to deliver the Escrow Funds to its successor as selected hereunder, and upon such delivery the successor escrow agent shall become Escrow Agent for all purposes of this Agreement and it shall have all the rights and obligations of Escrow Agent pursuant to this Agreement, and the resigning Escrow Agent shall have no further responsibilities or obligations hereunder.

(vii) Acknowledgment. By execution of this Agreement, Escrow Agent only (x) acknowledges receipt of the Deposit and (y) agrees to the terms of this Section 3(b) but is not binding itself as a party to this Agreement.

(viii) Indemnification. Purchaser and Seller jointly and severally shall indemnify and hold harmless the Escrow Agent (and any successor) from and against any and all liability, loss, damage or expense arising out of or in connection with the performance of its duties as Escrow Agent under this Agreement, including but not limited to reasonable legal fees and expenses, except with respect to the Escrow Agent's willful misconduct or gross negligence.

4. CLOSING

(a) Closing Date. The consummation of the transactions described herein (the "Closing") shall occur on or before the fifth (5th) business day following the date the Order (as defined herein) entered by the Bankruptcy Court becomes a final order or on such earlier or later date as may be agreed to by Seller and Purchaser, TIME BEING OF THE ESSENCE WITH RESPECT TO PURCHASER'S OBLIGATION TO CLOSE ON SUCH DATE (such date or any other date on which the Closing occurs, the "Closing Date") at the offices of Angel & Frankel, P.C., 460 Park Avenue, New York, NY 10022-1906 or as directed by the Bankruptcy Court.

(b) **Purchaser Deliveries.** At the Closing, Purchaser shall fully execute and acknowledge, if necessary, and deliver to Seller the following:

(i) the balance of the Purchase Price by confirmed wire transfer of immediately available funds or certified or official bank check; and

(ii) a certificate of Purchaser stating that, to the best knowledge of an authorized officer of Purchaser, the representations and warranties of Purchaser contained in this Agreement are true and correct in all material respects on and as of the Closing Date, that there are no material defaults by Purchaser under this Agreement and attaching evidence of all necessary corporate action to authorize the execution and performance of this Agreement and the consummation of the transactions contemplated herein.

(c) **Seller Deliveries.** At the Closing, Seller shall fully execute and acknowledge, if necessary, and deliver to Purchaser, the following:

(i) a copy of the Order, as described in Section 5(c) hereof.

(ii) Bill of Sale and Assignment in substantially the form of Exhibit A; and

(iii) any and all books and records in Seller's possession regarding RiceCo or the Property.

5. CONDITIONS OF CLOSING

The following shall constitute conditions to the Closing unless otherwise waived by the parties:

(a) **Contracts.** Purchaser's obligation to close under this Agreement is conditioned upon Seller's assumption and assignment of the LLC Agreement and the Manufacturing Agreement pursuant to Section 365 of the Bankruptcy Code. Purchaser's obligation to close under this Agreement is further conditioned upon Seller's rejection and termination of the Services Agreement.

(b) **Material Adverse Change.** Purchaser's obligation to close under this Agreement is conditioned upon there not having been any material adverse change in the business or financial condition of RiceCo since July 31, 2002. Purchaser represents and warrants that it knows of no such material adverse change as of the execution of this Agreement.

(c) **Order.** The obligation of Seller and Purchaser to consummate the transactions described herein shall be contingent upon entry of a final order by the Bankruptcy Court (the "Order") (i) approving the sale of the Property to Purchaser in accordance with this Agreement, free and clear of any and all liens, claims or encumbrances in such Property pursuant to Section 363(f) of the Bankruptcy Code, (ii) authorizing the assumption and assignment of the LLC Agreement and the Manufacturing Agreement (collectively, the "Contracts") notwithstanding any restrictions on assignment contained in such Contracts, including but not limited to Seller's management rights and rights to appoint Member Representatives thereunder, (iii) authorizing rejection and termination of the Services Agreement, and (iv) approving the Break-Up Fee (as

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defined below). Seller shall not be deemed to have accepted this Agreement, qualified or otherwise, until the entry of the Order. Purchaser has the right to terminate this Agreement with no further obligations and receive the return of the Deposit if either the Order is not entered, or the condition in Section 5(d) is not satisfied, on or before March 22, 2003. Purchaser will forfeit this right if Purchaser fails to give written notice of termination on or before March 26, 2003. Notwithstanding the foregoing, in the event that the Bankruptcy Court enters a final order declining to authorize assumption and assignment of the Manufacturing Agreement because Purchaser failed to provide sufficient assurances of performance, Purchaser shall either (A) waive the condition in Section 5(c)(ii) with respect to the Manufacturing Agreement, or (B) terminate the Agreement with no further obligations and receive the return of the Deposit, less the amount of \$150,000 which shall be retained by Seller in such event.

(d) **Environmental Claim.** Purchaser's obligation to close under this Agreement is conditioned upon either (i) the Bankruptcy Court entering a final order finding that RiceCo is not a potentially responsible party (a "PRP") in connection with environmental claims made by the Arkansas Department of Environmental Quality ("ADEQ") relating the Seller or Seller's property, or (ii) the ADEQ's release of, and agreement not to pursue, its claim that RiceCo is a PRP.

(e) **Performance of Obligations.** The obligations of each party to consummate the transactions described herein shall also be contingent upon the complete and timely performance in all material respects by the other party of each of such other party's obligations hereunder and upon the truth in all material respects of each of such other party's representations and warranties contained herein, if any, on and as of the Closing Date.

(f) **Default by a Party.** If any of the conditions to a party's obligation to consummate the transactions described in this Section 5 is not satisfied at or before the Closing, and at least three (3) business days' notice and opportunity to cure has been given to the defaulting party, the non-defaulting party may (without affecting such non-defaulting party's remedies specified in Section 8) elect to terminate this Agreement and seek payment of the Deposit provided that the provisions of Section 3(b)(ii) hereof are complied with.

6. PRE-CLOSING CONDITIONS

From the date of this Agreement until the Closing, Seller shall provide to Purchaser and its counsel full access to all books, records, contracts, and documents in its possession regarding RiceCo or the Property. Any disclosures made by Seller to Purchaser hereunder shall be subject to the Confidentiality Agreement previously entered into between Seller and Purchaser. Purchaser and its representatives shall not have the right to remove or make copies of any of the data and information provided by Seller without the express written consent of Seller.

7. CONTINUING OBLIGATIONS

(a) Seller, for thirty (30) days after the Closing Date, will execute, acknowledge, and deliver any further assignments, bills of sale, and other assurances, documents, and instruments of transfer, reasonably requested by Purchaser (all of which shall be

prepared by Purchaser at its cost and expense), and, at Purchaser's sole cost and expense, will take any other action consistent with the terms of this Agreement that may reasonably be requested by Purchaser for the purpose of assigning, transferring, granting, conveying, and confirming to Purchaser, or reducing to possession, any or all of the Property transferred by this Agreement. After such thirty (30) day period, Seller shall use its reasonable efforts to provide the assistance and deliveries set forth in this paragraph.

(b) Subsequent to the Closing, the Purchaser shall take no position adverse to Seller in connection with any action or demand by Seller (i) to receive from RiceCo whatever dividend to which Seller is entitled for the calendar year 2001, or (ii) to receive from RiceCo the Seller Claims. This Section 7(b) is directed at Purchaser's actions, not RiceCo's. Seller acknowledges that Purchaser will have the right to designate less than a majority of the Member Representatives in RiceCo and will not have the ability to control RiceCo.

8. WARRANTIES, REPRESENTATIONS AND COVENANTS

(a) **Seller's Representations.** Seller warrants, represents and covenants to Purchaser as of the date hereof and on and as of the Closing Date as provided below in this Section 8(a): (i) the Seller has full capacity, right, power and authority, without the consent of any other person or entity, other than the Bankruptcy Court, to execute and deliver this Agreement and to carry out the transactions contemplated hereby; (ii) all corporate and other acts or proceedings required to be taken by the Seller to authorize the execution, delivery and performance of this Agreement and all transactions contemplated hereby have been duly and properly taken; (iii) this Agreement has been, and the documents to be delivered at Closing will be, duly executed and delivered and constitute lawful, valid and legally binding obligations of the Seller, enforceable in accordance with their respective terms; (iv) the execution and delivery of this Agreement and the consummation of the transactions contemplated hereby are not prohibited by, do not violate or conflict with any provision of, and do not constitute a default under or a breach of (w) the charter or By-laws of the Seller, (x) any note, bond, indenture, contract, agreement, permit, license or other instrument to which the Seller is a party or by which the Seller or any of its assets is bound, (y) any order, writ, injunction, decree or judgment of any court or governmental agency, or (z) any law, rule or regulation applicable to the Seller; and (v) accurate, correct, current and complete copies of the Contracts have been delivered to the Purchaser.

(b) **Fulfillment of Seller's Obligations.** Upon the execution and delivery by Seller of the Bill of Sale and Assignment and the other documents to be executed and delivered by Seller at the Closing and the fulfillment of the other conditions to Purchaser's obligations to consummate the transactions provided for herein, Seller shall be deemed to have fully complied with and fulfilled all of the conditions, warranties, representations and covenants of this Agreement on the part of Seller other than the obligations set forth in Section 7.

(c) **Purchaser's Representations.** Purchaser warrants, represents and covenants to Seller as of the date hereof and on and as of the Closing Date that: (i) Purchaser is a corporation duly organized, validly existing and in good standing under the laws of Panama; (ii) Purchaser has full capacity, right, power and authority, without the consent of any other person or entity, to execute and deliver this Agreement and to perform its obligations hereunder and has taken all necessary action to authorize the execution and performance of this Agreement and the

consummation of the transactions contemplated herein, subject to the approval of the Bankruptcy Court; (iii) all corporate and other acts or proceedings required to be taken by the Purchaser to authorize the execution, delivery and performance of this Agreement and all transactions contemplated hereby have been duly and properly taken; (iv) this Agreement has been, and the documents to be delivered at Closing will be, duly executed and delivered and constitute lawful, valid and legally binding obligations of the Purchaser, enforceable in accordance with their respective terms; (v) the execution and delivery of this Agreement and the consummation of the transactions contemplated hereby are not prohibited by, do not violate or conflict with any provision of, and do not constitute a default under or a breach of (w) the charter or By-laws of the Purchaser, (x) any note, bond, indenture, contract, agreement, permit, license or other instrument to which the Purchaser is a party or by which the Purchaser or any of its assets is bound, (y) any order, writ, injunction, decree or judgment of any court or governmental agency, or (z) any law, rule or regulation applicable to the Purchaser; and (vi) Purchaser has the financial resources to consummate the transaction contemplated herein and pay the Purchase Price. Without limiting the foregoing, Purchaser has funds available (either cash on-hand or pursuant to committed financing agreements which do not contain any material qualification to the lender's obligation to advance funds to Purchaser) to satisfy all of its obligations in this Agreement, including without limitation the payment of the Purchase Price.

(d) **Purchaser's Acknowledgments.** Purchaser acknowledges that Seller has not made and will not make, nor shall Seller be deemed to have made, any warranty or representation, express or implied, as to Seller's rights under the Contracts. The provisions of this Section 8(d) shall survive the Closing or the termination of this Agreement.

9. REMEDIES

(a) Breach

(i) If Seller breaches any of its material obligations or repudiates this Agreement in any manner, then, subject to Section 9(a)(ii) below, Purchaser's sole and exclusive remedy shall be to terminate this Agreement upon notice to Seller and Escrow Agent and be reimbursed the Escrowed Funds or pursue specific performance of this Agreement.

(ii) If Purchaser breaches or repudiates this Agreement in any manner, including the failure to timely consummate the transaction contemplated by and pursuant to the terms and conditions of this Agreement for any reason other than the exercise by Purchaser of its rights to terminate this Agreement pursuant to Section 9(a)(i) or Section 5 hereof or the non-satisfaction of any of the conditions to Purchaser's closing obligations set forth in Section 5, then Seller may retain the Deposit together with any interest accrued thereon and may pursue any and all damages and remedies at law or in equity, including specific performance of this Agreement by Purchaser. This Section 9(a)(ii) shall survive the termination of this Agreement.

(b) **Higher or Better Offer.** In the event that the Bankruptcy Court does not enter the Order approving this Agreement because of the approval by the Bankruptcy Court of a higher or better offer submitted by a third party not related to or affiliated with the Purchaser or its officers, directors or shareholders then, provided that the Purchaser is not otherwise in breach of this Agreement and confirms on the record at the hearing to approve the sale of the Property that

it was otherwise ready, willing and able to close in accordance with the terms of this Agreement, upon receipt by Seller of the proceeds of the sale of the Property to such higher or better bidder, the Seller shall pay to the Purchaser a break-up fee of \$150,000 as liquidated damages (the "Break-Up Fee"), and the Purchaser shall have no other rights or claims against the Seller or the Purchaser which are the subject of this Agreement, other than for a return of the Deposit within five (5) business days of the Order approving such sale (unless the Purchaser is deemed a Backup Bidder as defined in the Bidding Procedures to be approved by the Bankruptcy Court, in which case Seller shall retain the Deposit pursuant to the terms and conditions of the Bidding Procedures).

(c) **Termination of Agreement.** Whenever one party has given the other notice of the termination of this Agreement in accordance with the terms hereof, the Escrowed Funds shall be disposed of in accordance with this Agreement and upon such disposition, this Agreement shall be conclusively deemed and construed to have been terminated and of no further force and effect and the parties shall be deemed released of all obligations under this Agreement and neither party shall have any other rights or obligations under this Agreement except as provided under this Section 9, under Section 5(c), or under any other provision of this Agreement which expressly survives the termination of this Agreement. Section 5(c) and this Section 9 shall survive the termination of this Agreement.

10. NOTICE

Any notice, demand, request or other communication required to be given pursuant to the terms hereunder shall be in writing and either (i) sent by certified mail, return receipt requested, (ii) hand-delivered, with receipt acknowledged, (iii) sent by facsimile, with receipt, or (iv) sent by overnight courier, with receipt acknowledged, and addressed to the party to receive the notice at the following addresses:

If to Seller:

Cedar Chemical Corporation
5100 Poplar Avenue, Suite 2414
Memphis, TN 38137
Facsimile No. (206) 309-0157

with a copy to:

Angel & Frankel, P.C.
Attn: Bonnie Pollack, Esq.
460 Park Avenue
New York, NY 10022-1906
Facsimile No. (212) 752-8363

If to Purchaser:

Raimundo Riojas, A.
Westrade USA, Inc.
10260 Westheimer Rd.
Suite 230
Houston, Texas 77042
Facsimile No. (713) 785-0053

with a copy to:

Edward Ruckert, Esq.
McDermott, Will & Emery
600 13th Street, N.W.
Washington, D.C.
Facsimile No. (202) 756-8087

If to Escrow Agent:

Angel & Frankel, P.C.
Attn: Bonnie Pollack, Esq.
460 Park Avenue
New York, NY 10022-1906
Facsimile No. (212) 752-8363

Either party may change its address for notices by giving written notice to the other party and Escrow Agent, or, in the case of Escrow Agent, to both parties, as aforesaid. Any notice shall be deemed received on the day received or receipt is refused. Inability to deliver because of changed address of which no notice was given shall be deemed a receipt of such notice.

11. MISCELLANEOUS

(a) **Entire Agreement; Amendments.** This Agreement, together with any and all exhibits hereto constitutes the complete and final expression of the agreement of the parties hereto and supersedes all previous agreements, either oral or written, with respect to the Property and the transactions described herein. This Agreement may not be modified, amended, discharged or terminated nor may any of the obligations of the parties hereunder be waived, except by a written instrument executed by the parties hereto.

(b) **No Assignment of Agreement.** The terms, conditions and covenants of this Agreement shall be binding upon and shall inure to the benefit of the parties and their respective nominees, successors, beneficiaries and permitted assignees. Purchaser may not transfer, assign or encumber this Agreement or any interest herein, by operation of law or otherwise, without the prior written consent of Seller. A transfer, whether directly or indirectly, of 50% or more of the

beneficial ownership interests in Purchaser or the right to direct the management and affairs of Purchaser shall be deemed a prohibited assignment for purposes of this Section 11(b).

(c) **Parties' Expenses.** Seller and Purchaser shall pay their own respective expenses, costs and fees (including attorneys' fees and disbursements) incurred in connection with the negotiation, preparation, execution and delivery of this Agreement and the consummation of the transactions contemplated by this Agreement, except as to any continuing documentation and obligations required under Section 6 hereof. Purchaser will not be responsible for any expenses and fees of Escrow Agent, except as set forth in Section 3(b)(viii) hereof.

(d) **Construction; Headings.** When used herein, the term "including" shall mean "including without limitation" unless otherwise specifically provided; all other language in this Agreement shall be construed simply according to its fair meaning, and not strictly for or against any of the parties hereto. The headings in this Agreement are for convenience only, and are not to be utilized in construing the content or meanings of any of the provisions hereof and shall not be deemed to constitute a part of this Agreement. All pronouns and any variations thereof shall be deemed to refer to the masculine, feminine, neuter, singular or plural, as the identity of the person or persons may require.

(e) **Announcements.** Neither party shall make any press release or other public announcement concerning this transaction without the prior written consent of the other party, which shall not be unreasonably withheld or delayed. Appearances in, or filings with, the Bankruptcy Court, any dealings with the various creditors committees and any notices required by the Bankruptcy Court to be disseminated shall not be deemed a public announcement for purposes of this section.

(f) **Severability.** Any provision of this Agreement which is prohibited or deemed unenforceable shall be ineffective to the extent of such prohibition or enforceability without invalidating the remaining portions hereof or affecting the validity or enforceability of any other provision of this Agreement.

(g) **Governing Law.** This Agreement shall be construed, interpreted and governed by the internal laws (and not the conflict laws) of the State of New York and the applicable provisions of the Bankruptcy Code.

(h) **Jurisdiction.** The Bankruptcy Court shall retain exclusive jurisdiction over any matter arising from or relating to the sale of the Property and the enforcement of any rights and remedies of Seller or Purchaser hereunder. Purchaser hereby consents to such jurisdiction.

(i) **Not a Joint Venture.** Seller and Purchaser each acknowledge and agree that the relationship between them is that of seller and purchaser and this Agreement does not constitute a partnership, joint venture or any other association between them.

(j) **Submission of Agreement.** The submission of this Agreement to Purchaser or Purchaser's attorney for review or signature does not constitute an offer to sell the Property, nor does it grant an option or other right to purchase the Property. This writing shall have no binding

force or effect until executed and delivered by Purchaser and by Seller and, in addition, Seller shall not be bound hereby until the Order has been entered by the Bankruptcy Court.

(k) Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original and all of which counterparts taken together shall constitute one and the same original. Executed copies of this Agreement may be delivered by telecopy and, upon receipt, shall be deemed originals and binding upon the parties hereto. Without limiting or otherwise affecting the validity of executed copies hereof that have been delivered by telecopy, the parties will use best efforts to deliver originals as promptly as possible following execution thereof.

IN WITNESS WHEREOF, Seller and Purchaser have executed this Agreement as of the date first above written.

CEDAR CHEMICAL CORPORATION

By: _____
Name: Phil Gund
Title: President

WESTRADE USA, INC.
a Delaware corporation

By: [Signature]
Name: Ramundo P. Lopez
Title: General Manager

With respect to Section 3(h) only:

ANGEL & FRANKEL, P.C.
as Escrow Agent

By: _____
Name: _____
Title: _____

List of Exhibits

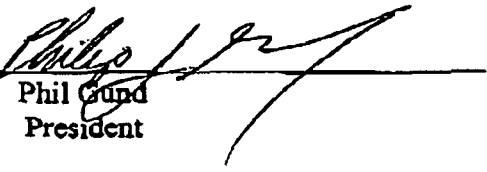
Exhibit A - Bill of Sale and Assignment

(j) Submission of Agreement. The submission of this Agreement to Purchaser or Purchaser's attorney for review or signature does not constitute an offer to sell the Property, nor does it grant an option or other right to purchase the Property. This writing shall have no binding force or effect until executed and delivered by Purchaser and by Seller and, in addition, Seller shall not be bound hereby until the Order has been entered by the Bankruptcy Court.

(k) Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original and all of which counterparts taken together shall constitute one and the same original. Executed copies of this Agreement may be delivered by telecopy and, upon receipt, shall be deemed originals and binding upon the parties hereto. Without limiting or otherwise affecting the validity of executed copies hereof that have been delivered by telecopy, the parties will use best efforts to deliver originals as promptly as possible following execution thereof.

IN WITNESS WHEREOF, Seller and Purchaser have executed this Agreement as of the date first above written.

CEDAR CHEMICAL CORPORATION

By: 
Name: Phil Gund
Title: President

WESTRADE USA, INC.
a Delaware corporation

By: _____
Name: _____
Title: _____

With respect to Section 3(b) only:

ANGEL & FRANKEL, P.C.
as Escrow Agent

By: _____
Name: _____
Title: _____

List of Exhibits

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force or effect until executed and delivered by Purchaser and by Seller and, in addition, Seller shall not be bound hereby until the Order has been entered by the Bankruptcy Court.

(k) **Counterparts.** This Agreement may be executed in one or more counterparts, each of which shall be deemed an original and all of which counterparts taken together shall constitute one and the same original. Executed copies of this Agreement may be delivered by telecopy and, upon receipt, shall be deemed originals and binding upon the parties hereto. Without limiting or otherwise affecting the validity of executed copies hereof that have been delivered by telecopy, the parties will use best efforts to deliver originals as promptly as possible following execution thereof.

IN WITNESS WHEREOF, Seller and Purchaser have executed this Agreement as of the date first above written.

CEDAR CHEMICAL CORPORATION

By: _____
Name: Phil Gund
Title: President

WESTRADE USA, INC.
a Delaware corporation

By: _____
Name: _____
Title: _____

With respect to Section 3(b) only:

ANGEL & FRANKEL, P.C.
as Escrow Agent

By: _____
Name: Joshua Angel
Title: Partner

List of Exhibits

Exhibit A - Bill of Sale and Assignment

EXHIBIT A

BILL OF SALE AND ASSIGNMENT

THE STATE OF New York §

COUNTY OF New York §

That **Cedar Chemical Corporation** ("Seller"), for and in consideration of the sum of **TEN AND NO/100 DOLLARS (\$10.00)**, and other good and valuable consideration in hand paid by **Westrade USA, Inc.**, the receipt of which is hereby acknowledged, has **BARGAINED, SOLD, ASSIGNED and DELIVERED**, and by these presents does **BARGAIN, SELL, ASSIGN and DELIVER**, unto the said **Westrade USA, Inc.**, all of the following described personal property free and clear of any and all liens, claims and encumbrances, as is, where is, without representation or warranty of any kind except as set forth in that certain Purchase Agreement between Seller and Westrade USA, Inc. dated _____, 2003 (the "Purchase Agreement"), to-wit:

1. Seller's 49% Membership Interest and 50% Profits/Loss Interest in RiceCo, LLC (a Delaware limited liability company), as such terms are defined in the Amended and Restated Limited Liability Company Agreement of RiceCo, LLC dated April 29, 2000, between Seller and Griffin L.L.C. (the "LLC Agreement").
2. Seller's rights under the LLC Agreement, and Seller's rights under the Manufacturing Agreement dated April 29, 2000 by and among Seller, RiceCo, LLC and Griffin L.L.C. (the "Manufacturing Agreement").
3. All of Seller's other right, title and interest in and to RiceCo, LLC, but excluding (a) Seller's rights under the Services Agreement dated August 5,

1997, as amended April 29, 2000, between Seller and RiceCo, LLC, and (b) monies, including but not limited to dividends, owed by RiceCo, LLC to the Seller for the period prior to the Closing Date (as defined in the Purchase Agreement), under, in connection with or pursuant to the LLC Agreement, Manufacturing Agreement or otherwise.

EXECUTED this ____ day of _____, 2003.

SELLER:
CEDAR CHEMICAL CORPORATION

By: _____
Philip Gund
President

THE STATE OF New York §
 §
COUNTY OF New York §

BEFORE ME, the undersigned authority, on this day personally appeared Philip Gund, President of **Cedar Chemical Corporation** known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE on this the ____ day of _____, 2003.

EXHIBIT C

PROCEDURES ORDER

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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In re:

Chapter 11

CEDAR CHEMICAL CORPORATION and
VICKSBURG CHEMICAL COMPANY,

Case Nos. 02-11039 (SMB) and
 02-11040 (SMB)

Debtors.

Jointly Administered

-----X

**ORDER (A) APPROVING FORM AND MANNER OF NOTICE OF
HEARING ON DEBTOR'S MOTION FOR SALE OF CERTAIN ASSETS
AND ON ASSUMPTION AND ASSIGNMENT OR REJECTION OF
EXECUTORY CONTRACTS PURSUANT TO 11 U.S.C. §§ 105, 363, AND
365; AND (B) APPROVING BID PROCEDURES AND BREAK-UP FEE**

A hearing having been held on _____, 2003 (the "Procedures Hearing") on the Motion filed by Cedar Chemical Corporation ("Cedar") for entry of an Order (this "Procedures Order") (a) approving the form and manner of notice of a hearing on Cedar's motion for an order authorizing the sale of certain of its assets (the "Property") and the assumption and assignment, or rejection of certain of its executory contracts pursuant to 11 U.S.C. §§105, 363 and 365 (the "Motion"), pursuant to the terms of a Purchase Agreement (the "Agreement") entered into between Cedar and Westrade USA, Inc. ("Westrade") under which Westrade has agreed to purchase, subject to higher or better offers, the Property as defined and as more particularly described in the Agreement and the Motion, for a purchase price of \$5,500,000 (the "Purchase Price") subject to the adjustments described in the Agreement, free and clear of all liens and claims, and (b) approving (i) the notice provisions and bid procedures in connection therewith; and (ii) a break-up fee ("Break-Up Fee") to Westrade; and an Order (the "Notice Order") dated

_____, 2003, having been entered by the Court fixing the time and place of Procedures Hearing; and sufficient notice of the Motion and Procedures Hearing having been given by Cedar pursuant to the Notice Order, and no further notice being required; and the Court having reviewed the Motion and having conducted the Procedures Hearing; and having heard statements of counsel in support of the relief requested; and the Court having duly deliberated upon this matter and for good and sufficient cause shown;

IT IS HEREBY ORDERED THAT:

1. A hearing to consider the Motion and approval of the Agreement and the sale of the Property to Westrade or a higher or better bidder, the assignment and assumption, or rejection, of certain executory contracts, and authorizing such other relief as requested in the Motion (the "Approval Hearing") shall be held before the Honorable Stuart M. Bernstein, Chief United States Bankruptcy Judge, at the United States Bankruptcy Court for the Southern District of New York, the Alexander Hamilton Custom House, One Bowling Green, New York, New York 10004 at ____:____ m. New York Time, or as soon thereafter as counsel may be heard, on_____, 2003.

2. Objections, if any, to the relief requested in the Motion, including the assumption, assignment or rejection of the executory contracts as detailed in the Motion and to the cure amounts set forth in the Motion, shall: (a) be in writing; (b) conform to the requirements of the Bankruptcy Code, the Federal Rules of Bankruptcy Procedure, and the Local Rules of the United States Bankruptcy Court for the Southern District of New York; (c) set forth the name of the objector and the nature and amount of any claims or interests held by it against Cedar's estate or property; (d) state with particularity the legal and factual bases for the objection and the specific grounds therefor; and (e) be filed with the Court on or before 4:30 p.m. New York Time,

_____, 2003, with copies delivered to chambers (at the Alexander Hamilton Custom House, One Bowling Green, New York, NY 10004) and served upon: (i) the Office of the United States Trustee for the Southern District of New York, 33 Whitehall Street, 21st Floor, New York, New York 10004, Attn: Brian Masumoto, Esq.; and (ii) counsel for Cedar, Angel & Frankel, P.C., 460 Park Avenue, New York, New York, 10022-1906, Attn: Bonnie L. Pollack, Esq.; so as to be received no later than 4:30 p.m. New York Time, _____, 2003.

3. On or before _____, 2003, Cedar shall serve a copy of this Procedures Order by United States Mail upon the Prime Recipients as defined in the Motion.

4. Cedar shall cause a copy of the notice annexed hereto as Exhibit "1" to be published in the National Edition of the *New York Times* no later than _____, 2003.

5. In the event of a closing of a transaction on a Competing Offer (as hereinafter defined), the reimbursement to Westrade of a Break-Up Fee in the amount of \$150,000 is hereby authorized and approved; provided, however, that Westrade is not otherwise in breach of the Agreement and confirms on the record at the Approval Hearing that it was otherwise ready, willing and able to close in accordance with the terms of the Agreement.

6. In the event a Competing Offer (as hereafter defined) is received by the Bid Deadline (as hereafter defined), Cedar is hereby authorized to conduct an auction at the Approval Hearing, and select for recommendation to the Court the offer which, in the good faith exercise of Cedar's business judgment, it believes constitutes the highest or best offer for the Property.

7. Subject to the terms of paragraph 8 below, in order to constitute a qualified competing offer (a "Competing Offer"), such offer must satisfy the following criteria:

(a) the Competing Offer must be received by Cedar's counsel on or before 4:30 p.m. New York Time at least three (3) business days before the Approval Hearing (the "Bid Deadline");

(b) any Competing Offer must be a cash offer for the Property;

(c) such Competing Offer must not be subject to financing or due diligence contingencies;

(d) an initial Competing Offer must exceed the amount of the Purchase Price under the Agreement by at least \$250,000;

(e) such Competing Offer must include evidence of such prospective purchaser's financial ability to close a purchase of the Property in accordance with the Agreement; and

(f) the Competing Offer must be for all of the Property, include all of the material terms of the Agreement, and must be accompanied by an earnest money deposit in the form of a bank check or wire transfer in the amount of 10% of the amount of the Competing Offer (the "Deposit"), payable to Cedar's counsel, to be held until the earlier of (i) closing, if the Competing Offer is approved by the Court; or (ii) two business days after the closing of the sale of the Property to another offeror; or (iii) as directed by the Court. The Competing Offer shall further provide for Cedar to retain the Deposit as liquidated damages in the event the party submitting the Competing Offer breaches its agreement.

8. Any of the criteria necessary for the qualification of a Competing Offer may be waived or modified upon the consent of, and in the discretion of, the Debtor, the Committee and the Agent for the Lenders.

9. In the event of an auction among Competing Offers at the Approval Hearing, Westrade and any Competing Offeror shall make successive offers for the Property in bidding increments of \$100,000. Cedar reserves the right to increase the bidding increments at the Approval Hearing.

10. Cedar shall immediately notify Westrade upon receiving any Competing Offer.

11. Cedar is authorized and directed to provide to any party that requests such in writing a bid package consisting of any financial or other information provided by Cedar to Westrade, provided that such party first enter into a confidentiality agreement with Cedar. Any financial information or other information previously provided directly by RiceCo to Westrade will only be available from, and must be obtained directly from, RiceCo. The failure of a party to obtain such information from RiceCo shall not delay or extend the Bid Deadline or Approval Hearing, except in Cedar's sole and absolute discretion.

12. If a Competing Offer is approved by the Court as the highest or best offer, the successful bidder shall be obligated to enter into an agreement of sale, substantially in the form of the Agreement, immediately following the conclusion of the Approval Hearing.

13. In the event the successful bidder fails to close, Cedar, in its sole discretion, shall have the right to accept the next highest or best bid without the necessity of a further Court hearing. If such failure to consummate the purchase is the result of a breach by the successful bidder, the Deposit of such bidder shall be forfeited to Cedar, without limiting such other and further rights of Cedar. Deposits of competing bidders held by Cedar shall be returned within 2 business day after the closing of the sale.

14. Service of the Motion, this Procedures Order and publication of notice in conformity with the terms hereof and the terms of the Notice Order shall be deemed good and

sufficient notice of the Motion, the Approval Hearing and the transactions contemplated thereby. Cedar shall not be required to give further notice except as specifically ordered herein or in any subsequent order issued by this Court.

15. All persons objecting to the Motion and the relief to be sought at the Approval Hearing, including an objection to the assumption, assignment or rejection of the executory contracts as detailed in the Motion and to the cure amounts set forth in the Motion, must file and serve an objection as set forth above and appear at the Approval Hearing or shall be forever barred and precluded from asserting such objection and from seeking payment of a cure amount different from that set forth in the Motion.

16. Cedar may extend the deadlines set forth in the foregoing bidding procedures and/or adjourn the Approval Hearing in open Court or on the records of the Court without further notice.

Dated: _____, 2003

Stuart M. Bernstein
Chief United States Bankruptcy Judge

Exhibit 1 to Procedures Order

ANGEL & FRANKEL, P.C.
Attorneys for Cedar Chemical Corporation
and Vicksburg Chemical Company
Debtors and Debtors-in-Possession
460 Park Avenue
New York, NY 10022-1906
(212) 752-8000
Joshua J. Angel, Esq. (JA-3288)
Bonnie L. Pollack, Esq. (BP-3711)

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

-----X

In re: Chapter 11

CEDAR CHEMICAL CORPORATION and Case Nos. 02-11039 (SMB) and
VICKSBURG CHEMICAL COMPANY, 02-11040 (SMB)

Debtors. Jointly Administered

-----X

NOTICE OF HEARING ON SALE OF DEBTOR'S ASSETS
SUBJECT TO HIGHER OR BETTER OFFERS

PLEASE TAKE NOTICE of the following:

1. Pursuant to an order (the "Procedures Order") of the Bankruptcy Court dated _____, 2003 and the bidding procedures contained therein (the "Bidding Procedures"), a sale of certain assets, consisting of Cedar Chemical Corporation's ("Cedar") interest in RiceCo, LLC (the "Property") to Westrade USA, Inc., for \$5,500,000, subject to adjustment, free and clear of liens, claims and encumbrances pursuant to sections 363 and 365 of the Bankruptcy Code, subject to higher or better offer (the "Asset Sale"), will be conducted in accordance with the Bidding Procedures. The Asset Sale also encompasses the assumption and assignment, and rejection, of certain executory contracts.

2. The Asset Sale will be held before the Honorable Stuart M. Bernstein, United States Bankruptcy Judge, on _____, 2003 at _____m. at the United States Bankruptcy Court for the Southern District of New York, Alexander Hamilton Custom House, One Bowling Green, New York, NY 10004-1408, or as soon thereafter as counsel may be heard, and is subject to adjournment. All parties interested in making a competing bid must do so in the manner set forth in the Bidding Procedures.

3. This notice is subject to the Procedures Order and the Bidding Procedures which include specific provisions for bidding and objecting to the Asset Sale. Copies of the Procedures Order and all other documents with respect to the Asset Sale may be obtained by written request

to the Debtor's attorneys listed below, and should be reviewed in their entirety by any party wishing to make a competing bid: ANGEL & FRANKEL, P.C., 460 Park Avenue, New York, New York 10022-1906, Attn: Bonnie L. Pollack, Esq., (212) 752-8000.

By Order of the Court

EXHIBIT D
APPROVAL ORDER

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

-----X

In re: Chapter 11

CEDAR CHEMICAL CORPORATION and
VICKSBURG CHEMICAL COMPANY,

Case Nos. 02-11039 (SMB) and
02-11040 (SMB)

Debtors.

Jointly Administered

-----X

**ORDER PURSUANT TO 11 U.S.C. §§ 105, 363 AND 365 (A) APPROVING
SALE OF CERTAIN OF DEBTOR'S ASSETS FREE AND CLEAR OF
LIENS AND CLAIMS; (B) AUTHORIZING ASSUMPTION AND
ASSIGNMENT TO PURCHASER, AND REJECTION, OF CERTAIN
EXECUTORY CONTRACTS; AND (C) EXEMPTING THE SALE FROM
THE PROVISIONS OF BANKRUPTCY RULES 6004(G) AND 6006(D)**

This Court having entered an order (the "Notice Order") dated _____, 2003 scheduling (i) a hearing (the "Procedures Hearing") to consider the establishment of sale procedures and to approve a break-up fee, and (ii) a hearing (the "Approval Hearing") to consider approval of the sale of certain of the assets of Cedar Chemical Corporation ("Cedar"); and this Court having conducted the Procedures Hearing and having entered a further order (the "Procedures Order") on _____, 2003 approving a break-up fee and establishing sale procedures and the Court having conducted the Approval Hearing and having considered the motion (the "Motion") filed by Cedar for entry of an order (i) approving the sale of certain assets of Cedar (the "Property") to Westrade USA, Inc. ("Westrade") subject to higher or better offer; (ii) authorizing the assumption and assignment to Westrade of the LLC Agreement and Manufacturing Agreement (as such terms are defined in the Motion); and (iii) authorizing the rejection of the Services Agreement (as such term is defined in the Motion); and Cedar having

demonstrated to the Court each of the matters found herein by good and sufficient evidence; and due notice having been provided; and all objections to the relief sought herein having been resolved, withdrawn or overruled, and such relief being demonstrated to the satisfaction of the Court to be in the best interests of Cedar, its estate and creditors; and after due deliberation and sufficient cause therefor,

IT IS HEREBY FOUND AND DETERMINED AS FOLLOWS:

A. Cedar filed a voluntary petition for relief under chapter 11 of title 11, the United States Code (the "Bankruptcy Code") on March 8, 2002 in the United States Bankruptcy Court for the Southern District of New York. Cedar continues to manage its property as a debtor-in-possession pursuant to sections 1107 and 1108 of the Bankruptcy Code.

B. The Court has jurisdiction to consider the Motion and the relief requested therein in accordance with 28 U.S.C. §§ 157 and 1334. Consideration of the Motion and the relief requested therein is a core proceeding pursuant to 28 U.S.C. § 157(b), and venue before this Court is proper pursuant to 28 U.S.C. §§ 1408 and 1409. This is a core proceeding pursuant to 28 U.S.C. §§ 157(b)(2)(A), (N) and (O).

C. On or about February 5, 2003, Cedar entered into the Agreement whereby it agreed to sell to Westrade the Property (as defined in the Motion and the Agreement) and to assume and assign to Westrade the LLC Agreement and the Manufacturing Agreement and to reject the Services Agreement.¹

D. Cedar has duly and properly given notice of the transactions contemplated by the Agreement as required by the Notice Order and the Procedures Order.

¹ Defined terms used but not otherwise defined herein shall have the meanings ascribed in the Motion and in the Agreement.

E. In accordance with sections 363(b) and (f) of the Bankruptcy Code and applicable law as set forth in the Motion, and based upon arguments of counsel at the Approval Hearing, Cedar has advanced good business reasons for entering into the Agreement.

F. A reasonable opportunity to object or be heard regarding the relief requested in the Motion, and to make higher or better offers to purchase the Property, has been provided. [] was the successful bidder for the Property, having submitted the highest or best bid (the "Purchaser").

G. The transactions contemplated by the Agreement have been negotiated in good faith, and the parties to the Agreement have acted in good faith.

H. All of the transactions contemplated by the Agreement are in the best interests of Cedar, its creditors and its estate.

I. The Agreement is the result of arm's length bargaining by the parties thereto and constitutes the highest or best offer for the sale of the Property and the Purchaser is entitled to the protection of a good faith purchaser pursuant to section 363(m) of the Bankruptcy Code.

J. Nothing in the Agreement or the transactions contemplated thereby would constitute the Purchaser as a successor of Cedar.

IT IS HEREBY ORDERED, ADJUDGED AND DECREED as follows:

1. The Motion is granted and all objections to the Motion which have not been resolved or withdrawn are hereby overruled.

2. The Agreement is approved by the Court. Cedar is hereby authorized and directed to take all steps necessary or appropriate to carry out the terms and intent of the Agreement, including, without limitation, the sale and transfer of the Property to the Purchaser

and to execute and deliver all documents necessary to effectuate the terms and conditions of the Agreement.

3. Assumption by Cedar, and assignment to the Purchaser, of the LLC Agreement and the Manufacturing Agreement is hereby approved pursuant to section 365 of the Bankruptcy Code notwithstanding any restrictions on assignment contained in such Agreements. There is no default to be cured under the LLC Agreement and the Manufacturing Agreement, and the Purchaser has the ability to perform under the Agreements.

4. Rejection of the Services Agreement is hereby approved pursuant to section 365 of the Bankruptcy Code. RiceCo, LLC shall file its general unsecured claim for contract rejection damages, if any, within 30 days of the date of this Order.

5. The sale pursuant to this Order will vest the Purchaser with good title to the Property, of whatever kind or nature or wherever located, free and clear of any and all liens and claims, which liens and claims shall transfer, affix and attach to the proceeds of the sale with the same force, validity, priority and effect as they now may have. All persons purporting to hold, or holding any liens and claims with respect to the Property shall be, and they hereby are, forever enjoined and barred from asserting such liens and claims against the Purchaser. The Purchase Price shall be paid by Cedar to the Agent for Cedar's pre-petition Lenders on account of their security interest in the Property.

6. The sale of the Property hereunder does not and will not subject the Purchaser to any liability by reason of such transfer under the laws of the United States, any state, territory or possession thereof or the District of Columbia based, in whole or in part, directly or indirectly, on any theory of law, including, without limitation, any theory of successor or transferee liability or any liability for the pre- or post-petition claims against Cedar. Each creditor of Cedar is

hereby barred and enjoined from the commencement or continuation of an action, the employment of process, or any act, to collect, recover or offset any claim against the Purchaser.

7. Cedar is authorized to execute such documents and do such things as may be necessary and appropriate to effect, implement, and consummate the Agreement.

8. The provisions of this Order authorizing the sale of the Property free and clear of liens and claims shall be self-executing, and neither Cedar nor the Purchaser shall be required to execute or file releases, termination statements, assignments, consents, or other instruments in order to effectuate, consummate and implement the foregoing provisions except to the extent provided in the Purchase Agreement.

9. The Purchaser is hereby determined to be a good faith purchaser under section 363(m) of the Bankruptcy Code in connection with the Agreement, and shall be entitled to the protections afforded to a good faith purchaser under that section.

10. Notwithstanding the provisions of Bankruptcy Rules 6004(g) and 6006(d), this Order shall be effective and enforceable immediately upon entry and the ten-day stay provided by such Bankruptcy Rules shall not be imposed, except that the Purchaser shall have no obligation to proceed to Closing until this Order becomes a Final Order.

11. If the Purchaser fails to consummate the purchase of the Property, the next highest and best bidder (the "Backup Bid" or "Backup Bidder") will automatically be deemed to have submitted the highest and best bid, and Cedar and such Backup Bidder are authorized to effect the sale of the Property to such Backup Bidder as soon as is commercial reasonable without further order of the Bankruptcy Court and all references herein to the Purchaser shall be read to refer to the Backup Bid and the Backup Bidder.

12. If such failure to consummate the purchase is the result of a breach by the Purchaser, any deposit theretofore tendered to Cedar shall be forfeited to Cedar and Cedar shall have the right to seek all available damages from and against the Purchaser, except to the extent otherwise set forth in the Agreement.

13. Cedar is authorized, as soon as practicable after Cbsing, to return the deposits of all bidders other than the Purchaser or the Backup Bidder, as the case may be.

14. This Order is and shall be binding upon and govern the acts of all entities, including, without limitation, all filing agents, title agents, recorders of documents, administrative agencies, governmental departments, secretaries of state, federal, state, territorial and local officials, and all the persons and entities who made be required by operation of law, and the duties of their office, to accept, file, register or otherwise record or release any documents or instruments.

15. Any finding set forth in this Order that is a conclusion of law shall be deemed a conclusion of law incorporated by reference in these conclusions of law as though fully set forth herein.

16. The failure to specifically include any particular provisions of the Agreement in this Order shall not diminish or impair the effectiveness of such provisions, it being the intent of the Court that the Agreement be authorized and approved in its entirety.

17. This Court shall retain jurisdiction to enforce the provisions of the Agreement and this Approval Order in all respects.

Dated: _____, 2003

Stuart M. Bernstein
Chief United States Bankruptcy Judge

PROCEDURES ORDER

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

---X

In re:

Chapter 11

CEDAR CHEMICAL CORPORATION and
VICKSBURG CHEMICAL COMPANY,

Case Nos. 02-11039 (SMB) and
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Debtors.

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**ORDER (A) APPROVING FORM AND MANNER OF NOTICE OF
HEARING ON DEBTOR'S MOTION FOR SALE OF CERTAIN ASSETS
AND ON ASSUMPTION AND ASSIGNMENT OR REJECTION OF
EXECUTORY CONTRACTS PURSUANT TO 11 U.S.C. §§ 105, 363, AND
365; AND (B) APPROVING BID PROCEDURES AND BREAK-UP FEE**

A hearing having been held on February 25, 2003 (the "Procedures Hearing") on the Motion filed by Cedar Chemical Corporation ("Cedar") for entry of an Order (this "Procedures Order") (a) approving the form and manner of notice of a hearing on Cedar's motion for an order authorizing the sale of certain of its assets (the "Property") and the assumption and assignment, or rejection of certain of its executory contracts pursuant to 11 U.S.C. §§ 105, 363 and 365 (the "Motion"), pursuant to the terms of a Purchase Agreement (the "Agreement") entered into between Cedar and Westrade USA, Inc. ("Westrade") under which Westrade has agreed to purchase, subject to higher or better offers, the Property as defined and as more particularly described in the Agreement and the Motion, for a purchase price of \$5,500,000 (the "Purchase Price") subject to the adjustments described in the Agreement, free and clear of all liens and claims, and (b) approving (i) the notice provisions and bid procedures in connection therewith; and (ii) a

break-up fee ("Break-Up Fee") to Westrade; and an Order (the "Notice Order") dated February 10, 2003, having been entered by the Court fixing the time and place of Procedures Hearing; and sufficient notice of the Motion and Procedures Hearing having been given by Cedar pursuant to the Notice Order, and no further notice being required; and the Court having reviewed the Motion and having conducted the Procedures Hearing; and having heard statements of counsel in support of the relief requested; and the Court having duly deliberated upon this matter and for good and sufficient cause shown;

IT IS HEREBY ORDERED THAT:

1. A hearing to consider the Motion and approval of the Agreement and the sale of the Property to Westrade or a higher or better bidder, the assignment and assumption, or rejection, of certain executory contracts, and authorizing such other relief as requested in the Motion (the "Approval Hearing") shall be held before the Honorable Stuart M. Bernstein, Chief United States Bankruptcy Judge, at the United States Bankruptcy Court for the Southern District of New York, the Alexander Hamilton Custom House, One Bowling Green, New York, New York 10004 at **10:00 a.m.** New York Time, or as soon thereafter as counsel may be heard, on **March 11, 2003**.

2. Objections, if any, to the relief requested in the Motion, including the assumption, assignment or rejection of the executory contracts as detailed in the Motion and to the cure amounts set forth in the Motion, shall: (a) be in writing; (b) conform to the requirements of the Bankruptcy Code, the Federal Rules of Bankruptcy Procedure, and the Local Rules of the United States Bankruptcy Court for the Southern District of New York; (c) set forth the name of the objector and the nature and amount of any claims or interests held by it against Cedar's estate or property; (d) state with particularity the legal and factual bases for the objection and the specific grounds therefor; and (e) be filed with the Court on or

before **4:30 p.m. New York Time, March 7, 2003**, with copies delivered to chambers (at the Alexander Hamilton Custom House, One Bowling Green, New York, NY 10004) and served upon: (i) the Office of the United States Trustee for the Southern District of New York, 33 Whitehall Street, 21st Floor, New York, New York 10004, Attn: Brian Masumoto, Esq.; and (ii) counsel for Cedar, Angel & Frankel, P.C., 460 Park Avenue, New York, New York, 10022-1906, Attn: Bonnie L. Pollack, Esq.; so as to be received no later than **4:30 p.m. New York Time, March 7, 2003**.

3. On or before **February 25, 2003**, Cedar shall serve a copy of this Procedures Order by United States Mail upon the Prime Recipients as defined in the Motion.

4. Cedar shall cause a copy of the notice annexed hereto as Exhibit "1" to be published in the National Edition of the *New York Times* no later than **February 28, 2003**.

5. In the event of a closing of a transaction on a Competing Offer (as hereinafter defined), the reimbursement to Westrade of a Break-Up Fee in the amount of \$150,000 is hereby authorized and approved; provided, however, that Westrade is not otherwise in breach of the Agreement and confirms on the record at the Approval Hearing that it was otherwise ready, willing and able to close in accordance with the terms of the Agreement.

6. In the event a Competing Offer (as hereafter defined) is received by the Bid Deadline (as hereafter defined), Cedar is hereby authorized to conduct an auction at the Approval Hearing, and select for recommendation to the Court the offer which, in the good faith exercise of Cedar's business judgment, it believes constitutes the highest or best offer for the Property.

7. Subject to the terms of paragraph 8 below, in order to constitute a qualified competing offer (a "Competing Offer"), such offer must satisfy the following criteria:

(a) the Competing Offer must be received by Cedar's counsel on or before 4:30 p.m. New York Time at least three (3) business days before the Approval Hearing (the "Bid Deadline");

(b) any Competing Offer must be a cash offer for the Property;

(c) such Competing Offer must not be subject to financing or due diligence contingencies;

(d) an initial Competing Offer must exceed the amount of the Purchase Price under the Agreement by at least \$250,000;

(e) such Competing Offer must include evidence of such prospective purchaser's financial ability to close a purchase of the Property in accordance with the Agreement; and

(f) the Competing Offer must be for all of the Property, include all of the material terms of the Agreement, and must be accompanied by an earnest money deposit in the form of a bank check or wire transfer in the amount of 10% of the amount of the Competing Offer (the "Deposit"), payable to Cedar's counsel, to be held until the earlier of (i) closing, if the Competing Offer is approved by the Court; or (ii) two business days after the closing of the sale of the Property to another offeror; or (iii) as directed by the Court. The Competing Offer shall further provide for Cedar to retain the Deposit as liquidated damages in the event the party submitting the Competing Offer breaches its agreement.

8. Any of the criteria necessary for the qualification of a Competing Offer may be waived or modified upon the consent of, and in the discretion of, the Debtor, the Committee and the Agent for the Lenders.

9. In the event of an auction among Competing Offers at the Approval Hearing, Westrade and any Competing Offeror shall make successive offers for the Property in bidding increments of \$100,000. Cedar reserves the right to increase the bidding increments at the Approval Hearing.

10. Cedar shall immediately notify Westrade upon receiving any Competing Offer.

11. Cedar is authorized and directed to provide to any party that requests such in writing a bid package consisting of any financial or other information provided by Cedar to Westrade, provided that such party first enter into a confidentiality agreement with Cedar. Any financial information or other information previously provided directly by RiceCo to Westrade will only be available from, and must be obtained directly from, RiceCo. The failure of a party to obtain such information from RiceCo shall not delay or extend the Bid Deadline or Approval Hearing, except in Cedar's sole and absolute discretion.

12. If a Competing Offer is approved by the Court as the highest or best offer, the successful bidder shall be obligated to enter into an agreement of sale, substantially in the form of the Agreement, immediately following the conclusion of the Approval Hearing.

13. In the event the successful bidder fails to close, Cedar, in its sole discretion, shall have the right to accept the next highest or best bid without the necessity of a further Court hearing. If such failure to consummate the purchase is the result of a breach by the successful bidder, the Deposit of such bidder shall be forfeited to Cedar, without limiting such other and further rights of Cedar. Deposits of competing bidders held by Cedar shall be returned within 2 business day after the closing of the sale.

14. Service of the Motion, this Procedures Order and publication of notice in conformity with the terms hereof and the terms of the Notice Order shall be deemed good and sufficient notice of the

Motion, the Approval Hearing and the transactions contemplated thereby. Cedar shall not be required to give further notice except as specifically ordered herein or in any subsequent order issued by this Court.

15. All persons objecting to the Motion and the relief to be sought at the Approval Hearing, including an objection to the assumption, assignment or rejection of the executory contracts as detailed in the Motion and to the cure amounts set forth in the Motion, must file and serve an objection as set forth above and appear at the Approval Hearing or shall be forever barred and precluded from asserting such objection and from seeking payment of a cure amount different from that set forth in the Motion.

16. Cedar may extend the deadlines set forth in the foregoing bidding procedures and/or adjourn the Approval Hearing in open Court or on the records of the Court without further notice.

Dated: February 25, 2003

/s/ STUART M. BERNSTEIN
Stuart M. Bernstein
Chief United States Bankruptcy Judge

Exhibit 1 to Procedures Order

ANGEL & FRANKEL, P.C.
Attorneys for Cedar Chemical Corporation
and Vicksburg Chemical Company
Debtors and Debtors-in-Possession
460 Park Avenue
New York, NY 10022-1906
(212) 752-8000
Joshua J. Angel, Esq. (JA-3288)
Bonnie L. Pollack, Esq. (BP-3711)

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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In re:

Chapter 11

CEDAR CHEMICAL CORPORATION and
VICKSBURG CHEMICAL COMPANY,

Case Nos. 02-11039 (SMB) and
02-11040 (SMB)

Debtors.

Jointly Administered

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**NOTICE OF HEARING ON SALE OF DEBTOR'S ASSETS
SUBJECT TO HIGHER OR BETTER OFFERS**

PLEASE TAKE NOTICE of the following:

1. Pursuant to an order (the "Procedures Order") of the Bankruptcy Court dated _____, 2003 and the bidding procedures contained therein (the "Bidding Procedures"), a sale of certain assets, consisting of Cedar Chemical Corporation's ("Cedar") interest in RiceCo, LLC (the "Property") to Westrade USA, Inc., for \$5,500,000, subject to adjustment, free and clear of liens, claims and encumbrances pursuant to sections 363 and 365 of the Bankruptcy Code, subject to higher or better offer (the "Asset Sale"), will be conducted in accordance with the Bidding Procedures. The Asset Sale also encompasses the assumption and assignment, and rejection, of certain executory contracts.

2. The Asset Sale will be held before the Honorable Stuart M. Bernstein, United States Bankruptcy Judge, on _____, 2003 at _____m. at the United States Bankruptcy Court for the Southern District of New York, Alexander Hamilton Custom House, One Bowling Green, New York, NY 10004-1408, or as soon thereafter as counsel may be heard, and is subject to adjournment. All parties interested in making a competing bid must do so in the manner set forth in the Bidding Procedures.

3. This notice is subject to the Procedures Order and the Bidding Procedures which include specific provisions for bidding and objecting to the Asset Sale. Copies of the Procedures Order and all other documents with respect to the Asset Sale may be obtained by written request to the Debtor's attorneys listed below, and should be reviewed in their entirety by any party wishing to make a competing bid: ANGEL & FRANKEL, P.C., 460 Park Avenue, New York, New York 10022-1906, Attn: Bonnie L. Pollack, Esq., (212) 752-8000.

By Order of the Court



George
Pettigrew/R6/USEPA/U
S@EPA

To: Patrick Young/R6/USEPA/US@EPA
cc:
Subject:

09/24/2003 09:42 AM

Are you familiar with this? Follow-up on to see what's going on.

Thanks, George

----- Forwarded by George Pettigrew/R6/USEPA/US on 09/24/2003 09:39 AM

Charles Weir	To:	George
Pettigrew/R6/USEPA/US@EPA, doj1@cdc.gov	cc:	
09/22/2003 10:49 AM	Subject:	

fyi

----- Forwarded by Charles Weir/DC/USEPA/US on 09/22/2003 11:49 AM -----

Carl Albury	To:	ctw6@CDC.GOV
<carl_albury@nmenv.s	cc:	
tate.nm.us>	Subject:	
09/22/2003 11:43 AM		

Mr. Weir:

Hello, my name is Carl Albury, I am the project manager for the Highway 549

Solvents site in Deming, New Mexico (CERCLIS ID#: NM0000605167). You authored a health consultation for the site in November of 2000. The site consists of a 1,1-dichloroethene and 1,1,1-trichloroethane plume with no identified source. Groundwater flow is continuing to expand the plume, which is impacting more private water supply wells. I will be sending copies of the health consultation to newly affected well owners. I am writing you to give you a heads up, and to ask if I can refer these well owners to you or if there is some more appropriate person.

We are working to provide the municipal water supply connections to the well owners, but this will take several months.

Thank you,

Carl Albury
New Mexico Environment Department
Ground Water Quality Bureau
(505) 827-0039

1190 St. Francis Drive
Runnels Bldg. N2300
Santa Fe, NM 87505
carl_albury@nmenv.state.nm.us

ANGEL & FRANKEL, P.C.
Attorneys for Cedar Chemical Corporation
and Vicksburg Chemical Company
Debtors and Debtors-in-Possession
460 Park Avenue
New York, NY 10022-1906
(212) 752-8000
Joshua J. Angel, Esq. (JA-3288)
Bonnie L. Pollack, Esq. (BP-3711)
Craig R. Nussbaum, Esq. (CN-8742)

Presentment Date: April 16, 2003
At: 12:00 noon

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

-----X
In re: Chapter 11

CEDAR CHEMICAL CORPORATION and Case Nos. 02-11039 (SMB) and
VICKSBURG CHEMICAL COMPANY, 02-11040 (SMB)

Debtors. Jointly Administered
-----X

**NOTICE OF SETTLEMENT OF ORDER DENYING DEBTORS'
MOTION TO EXTEND THEIR EXCLUSIVE PERIODS PURSUANT TO
11 U.S.C. § 1121(d) AND GRANTING RELATED RELIEF**

S I R (S):

PLEASE TAKE NOTICE, that in furtherance of the direction of the Court at a hearing on April 8, 2003, a true copy of the attached Order Denying Debtors' Motion to Extend Their Exclusive Periods Pursuant to 11 U.S.C. § 1121(d) and Granting Related Relief will be presented for settlement to the Honorable Stuart M. Bernstein, Chief United States Bankruptcy Judge, Room 723, United States Bankruptcy Court, Southern District of New York, One Bowling Green, New York, NY 10004, on April 16, 2003 at 12:00 noon.

PLEASE TAKE FURTHER NOTICE, that objections or counter-orders must be served on the undersigned, filed with the clerk of the United States Bankruptcy Court for the Southern District of New York, with a copy to the Chambers of the Honorable Stuart M. Bernstein so as to

be filed and received not later than April 15, 2003 at 11:30 a.m.

Dated: New York, New York
April 10, 2003

ANGEL & FRANKEL, P.C.
Attorneys for Cedar Chemical Corporation and
Vicksburg Chemical Corporation
Debtors and Debtors-in-Possession

By: /s/ Craig R. Nussbaum
Joshua J. Angel, Esq. (JA-3288)
Bonnie L. Pollack, Esq. (BP-3711)
Craig R. Nussbaum, Esq. (CN-8742)
460 Park Avenue
New York, NY 10022-1906
(212) 752-8000

TO: Counsel to the Creditors' Committee
Counsel to the Agent for the Debtors' Lenders
U.S. Trustee for the Southern District of New York
All Entities which have filed a Notice of Appearance

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

----- x

In re:

Chapter 11

CEDAR CHEMICAL CORPORATION and
VICKSBURG CHEMICAL COMPANY,

Case Nos. 02-11039 (SMB) and
02-11040 (SMB)

Jointly Administered

Debtors.

----- x

**ORDER DENYING DEBTORS MOTION TO EXTEND THEIR
EXCLUSIVE PERIODS PURSUANT TO 11 U.S.C. § 1121(d)
AND GRANTING RELATED RELIEF**

Upon the motion (the "Motion"), dated February 13, 2003 of Cedar Chemical Corporation and Vicksburg Chemical Company, debtors and debtors-in-possession (collectively, the "Debtors"), by their attorneys, for an order pursuant to 11 U.S.C. § 1121(d), extending the 120-day exclusive period (the "120-Day Exclusive Period") during which only the Debtors may file a chapter 11 plan and the 180-day exclusive period (the "180-Day Exclusive Period") to obtain acceptances thereof; and it appearing based upon the affidavit of service filed by the Debtors that due notice and timely service of the Motion has been given; and a hearing on the Motion having been held on February 27, 2003 at which time the Exclusive Periods were extended to a hearing held on April 8, 2003 (collectively, the "Hearings"); and after having heard the arguments as reflected on the records of the Hearings; and upon the full records of the Hearings made before me; and due deliberation having been had; and sufficient cause appearing to me therefor; it is

NOW, on motion of Angel & Frankel, P.C., attorneys for the Debtors,

ORDERED, that the Motion be, and hereby is, denied.

Dated: New York, New York
April __, 2003

STUART M. BERNSTEIN
CHIEF UNITED STATES BANKRUPTCY JUDGE

ANGEL & FRANKEL, P.C.
Attorneys for Cedar Chemical Corporation
and Vicksburg Chemical Company
Debtors and Debtors-in-Possession
460 Park Avenue
New York, NY 10022-1906
(212) 752-8000
Joshua J. Angel, Esq. (JA-3288)
Bonnie L. Pollack, Esq. (BP-3711)
Craig R. Nussbaum, Esq. (CN-8742)

Presentment Date: April 23, 2003
Time: 12:00 p.m.
Objection Deadline: April 22, 2003
At 4:00 p.m.

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

-----X

In re:

Chapter 11

CEDAR CHEMICAL CORPORATION and,
VICKSBURG CHEMICAL COMPANY,

Case No. 02-11039 (SMB) and
02-11040 (SMB)

Debtors.

Jointly Administered

-----X

**NOTICE OF PRESENTMENT OF STIPULATION AND
AGREED ORDER REGARDING CLAIMS IN RESPECT OF
SETTLEMENT ARISING OUT OF A 1995 RAILROAD TANK CAR
ACCIDENT PURSUANT TO BANKRUPTCY RULE 9019 AND
GRANTING RELATED RELIEF**

PLEASE TAKE NOTICE that the undersigned will present the annexed Stipulation and Order dated April 15, 2003 (the "Proposed Order") for signature to the Honorable Stuart M. Bernstein, Chief United States Bankruptcy Judge, on April 23, 2003 at 12:00 p.m.

PLEASE TAKE FURTHER NOTICE that objections, if any, to the Proposed Order must be made in writing and received in the Chambers of the Honorable Stuart M. Bernstein, Chief United States Bankruptcy Judge, United States Bankruptcy Court, One Bowling Green, Room 723, New York, New York 10004 and by the undersigned and shall be filed with the Clerk of the Bankruptcy Court in accordance with the Standing General Order of the Bankruptcy Court for the Southern District of New York entered on January 19, 2001, establishing procedures for

electronic filing, no later than 4:00 p.m. on April 22, 2003. Unless objections are received by that time, the Proposed Order may be signed and entered without a hearing.

PLEASE TAKE FURTHER NOTICE that if a written objection is timely filed, the Court will notify the moving and objecting parties of the date and time of the hearing and the moving party's obligation to notify all other parties entitled to receive notice. The moving and objecting parties are required to attend the hearing, and failure to attend in person or by counsel may result in relief being granted or denied upon default.

Dated: New York, New York
April 16, 2003

ANGEL & FRANKEL, P.C.
Attorneys for Cedar Chemical Corporation and
Vicksburg Chemical Corporation
Debtors and Debtors-in-Possession

By: /s/ Craig R. Nussbaum
Joshua J. Angel, Esq. (JA-3288)
Bonnie L. Pollack, Esq. (BP-3711)
Craig R. Nussbaum, Esq. (CN-8742)
460 Park Avenue
New York, NY 10022-1906
(212) 752-8000

To: Office of the United States Trustee
Counsel to the Creditors' Committee
Counsel to the Agent to the Lenders
All Parties Who Filed Notices of Appearance
Counsel to the Louisiana Class
Counsel to the Mississippi Plaintiffs

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

-----X
In re:

Chapter 11

CEDAR CHEMICAL CORPORATION and
VICKSBURG CHEMICAL COMPANY,

Case Nos. 02-11039 (SMB) and
02-11040 (SMB)

Debtors.
-----X

Jointly Administered

**STIPULATION AND AGREED ORDER REGARDING CLAIMS IN RESPECT OF
SETTLEMENT ARISING OUT OF A 1995 RAILROAD TANK CAR ACCIDENT
PURSUANT TO BANKRUPTCY RULE 9019 AND GRANTING RELATED RELIEF**

RECITALS

- A. On March 8, 2002, the above-captioned debtors and debtors in possession (collectively, the "Debtors") commenced their respective reorganization cases by filing voluntary petitions for relief under chapter 11 of the Bankruptcy Code. The Debtors' chapter 11 cases have been consolidated for procedural purposes only and are being administered jointly.
- B. In October 1995 a railroad tank car began to leak and then ruptured resulting in corrosive, toxic or hazardous materials entering into and upon the air, land and water in and around Bogalusa, Louisiana and surrounding areas, including portions of Mississippi (the "Chemical Release").
- C. At the time of the Chemical Release the tank car was located at the plant of Gaylord Chemical Company ("Gaylord"), a customer of Vicksburg. The tank car contained nitrogen tetroxide (N₂O₄) that had been produced by Vicksburg, sold to Gaylord and loaded into the tank car by Vicksburg at the Vicksburg Plant.
- D. Nitrogen tetroxide and its derivative compounds, nitric acid (HNO₃) and gaseous nitrogen dioxide (NO₂) are corrosive, toxic or hazardous to persons and property.

The Chemical Release resulted in the mandatory evacuation of much of Bogalusa, Louisiana and many persons in the surrounding communities.

E. As described below, the Chemical Release resulted in the commencement of legal actions by thousands of plaintiffs in Mississippi and Louisiana against the Debtors. The claims made in the actions charged, among other things, (i) that the tank car into which the Debtors loaded the nitrogen tetroxide contained water and other contaminants, which resulted in a chemical reaction producing nitric acid and nitrogen dioxide which caused the leak and rupture of the tank car and (ii) that the Debtors negligently failed to inspect the tank car for such contaminants before loading the nitrogen tetroxide. These claims also charged, among other things, that the Debtors failed to take proper action when they first learned of the leaking tank car, by among other things, failing to warn the appropriate federal, state and local authorities and failing to take the appropriate steps to mitigate the extent of the Chemical Release.

F. On or about October 24, 1995, several actions were filed in the state court in Bogalusa, Louisiana purporting to be class actions arising out of the Chemical Release. Subsequently, approximately 146 actions were filed in the state court for the 22nd Judicial District, Washington Parish, Louisiana (the "Louisiana Court"). The Louisiana cases were consolidated in the Louisiana Court and certified as a class action (the "Louisiana Class Action" or "Class Action"). The class is estimated to contain more than 16,000 claimants (the "Louisiana Class" or "Class"). The Debtors, Trans-Resources, Inc. ("TRI")¹ and certain of their affiliates (hereinafter referred to collectively as the "Compromising Parties") were included among the defendants in the Louisiana Class Action.

¹TRI is the parent company of Nine West Inc., which in turn is Cedar's parent company. Vicksburg is Cedar's

G. In addition to the Louisiana Class Action, ten separate actions naming an aggregate of approximately 4,000 plaintiffs (the "Mississippi Plaintiffs") were filed in the Circuit Court of Hinds County, Mississippi (the "Mississippi Court") naming, among the defendants, the Debtors and TRI. These actions (the "Mississippi Actions") were consolidated and the claims of the Mississippi Plaintiffs were to be tried *seriatim* in groups of approximately 20 plaintiffs. Among other defendants included in the Louisiana Class Action and in the Mississippi Actions are Gaylord and its parent corporation Gaylord Container Corporation; Union Tank Car Company (the owner of the tank car); Illinois Central Railroad Company (a railroad involved in transporting the tank car to Gaylord's plant) and Kansas City Southern Railway Company (another railroad involved in transporting the tank car to Gaylord's plant).

H. On November 12, 2002, the Debtors filed an Application for Approval of a Settlement Arising Out of a 1995 Railroad Tank Car Accident Pursuant to Bankruptcy Rule 9019 and Granting Related Relief. On December 13, 2002 the Court entered its Order Granting Approval of Settlement of a Controversy Arising Out of 1995 Railroad Tank Car Accident Pursuant to Bankruptcy Rule 9019 and Granting Related Relief, approving the settlement and authorizing the Debtors to take the remaining steps to finalize the settlement. Those remaining steps include, but are not limited to, obtaining approval of the settlement by the Louisiana Court and the Mississippi Court. Such approval has not yet been obtained but is pending.

I. On March 25, 2003, the Debtors filed a Motion for Order Setting Bar Dates for Filing Certain Proofs of Claim, Approving Procedures for Filing Such Proofs of Claim and Approving Form and Manner of Notice Thereof, requiring all proof of claims

against the Debtors to be filed by 5:00 p.m., Eastern Time, on May 23, 2003. On April 4, 2003, the Bankruptcy Court entered an Order Setting Bar Dates for Filing Certain Proofs of Claim, Approving Procedures for Filing Such Proofs of Claim and Approving Form and Manner of Notice Thereof (the "Bar Date Order").

- J. Once the settlement is approved by the Louisiana Court and the Mississippi Court and consummated, the Louisiana Class and the Mississippi Plaintiffs will no longer have claims against the Debtors' estates. Pending such approval and consummation, the Debtors and respective bankruptcy counsel for the Louisiana Class and the Mississippi Plaintiffs have reached an agreement regarding the filing of claims on behalf of the Louisiana Class and the Mississippi Plaintiffs, which the parties desire to memorialize in this Stipulation and Agreed Order.

AGREEMENT

1. With respect to injuries and damages asserted in the Louisiana Class Action, one proof of claim may be filed on behalf of, and will be considered sufficient to preserve the rights of, all members of the Louisiana Class (the "Louisiana Proof of Claim"). The collective Louisiana Proof of Claim authorized herein on behalf of the Louisiana Class shall be specifically designated as such, shall attach a copy of this Stipulation and Agreed Order and shall be filed by William H. Patrick, III, Esq. or Tristan E. Manthey, Esq. as bankruptcy counsel for the Louisiana Class.
2. With respect to injuries and damages asserted in the Mississippi Plaintiffs' action, one proof of claim may be filed on behalf of, and will be considered sufficient to preserve the rights of, the Mississippi Plaintiffs (the "Mississippi

Proof of Claim"). The collective Mississippi Proof of Claim shall be specifically designated as such, shall attach a copy of this Stipulation and Agreed Order and shall be filed by Emile Turner, Esq. as bankruptcy counsel for the Mississippi Plaintiffs.

3. Other than the ability to file collective proofs of claim on behalf of the Louisiana Class and Mississippi Plaintiffs and the stipulation herein that said proofs of claim are sufficient to preserve the claims and rights of the Louisiana Class and the Mississippi Plaintiffs, respectively, as set forth herein, all other requirements of the Bar Date Order shall apply.
4. Upon approval of the settlement by the Louisiana Court and Mississippi Court and consummation thereof, the Louisiana Proof of Claim and the Mississippi Proof of Claim, respectively, shall be withdrawn with prejudice.
5. This Stipulation and Agreed Order shall not be modified, altered, amended or vacated without the prior written consent of all parties hereto.
6. This Stipulation and Agreed Order constitutes the entire agreement between the parties with respect to the matters addressed herein and may be signed by facsimile and in counterparts.

Dated: April 15, 2003

/s/ William H. Patrick
William H. Patrick (10359)
Tristan E. Manthey (24539)
Heller, Draper, Hayden, Patrick & Horn, L.L.C.
650 Poydras Street, Suite 2500
New Orleans, LA 70130
Telephone: (504) 568-1888

ATTORNEYS FOR THE LOUISIANA
CLASS

/s/ Craig R. Nussbaum
Joshua J. Angel (JA-3288)
Bonnie L. Pollack (BP-3711)
Craig R. Nussbaum (CN-8742)
ANGEL & FRANKEL, P.C.
460 Park Avenue
New York, New York 10022-1906
Telephone: (212) 752-8000

ATTORNEYS FOR DEBTORS AND
DEBTORS IN POSSESSION

/s/ Emile L. Turner, Jr.
Emile L. Turner, Jr. (12963)
EMILE L. TURNER, JR., L.L.C.
424 Gravier Street
New Orleans, LA 70130-2496
Telephone: (504) 586-9120

ATTORNEYS FOR THE MISSISSIPPI
PLAINTIFFS

SO ORDERED THIS _____ DAY OF _____, 2003 in New York, New York.

UNITED STATES BANKRUPTCY JUDGE

ANGEL & FRANKEL, P.C.
Attorneys for Cedar Chemical Corporation
and Vicksburg Chemical Company
Debtors and Debtors-in-Possession
460 Park Avenue
New York, NY 10022-1906
(212) 752-8000
Joshua J. Angel, Esq. (JA-3288)
William M. Kahn, Esq. (WK-9254)

Presentment Date: August 11, 2003
Time: 12:00 p.m.

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

-----X
In re:

Chapter 11

CEDAR CHEMICAL CORPORATION and,
VICKSBURG CHEMICAL COMPANY,

Case No. 02-11039 (SMB) and
02-11040 (SMB)

Debtors.

Jointly Administered
-----X

**NOTICE OF PRESENTMENT OF STIPULATION AND ORDER
SETTLING PREFERENCE CLAIM AGAINST KANSAS CITY
SOUTHERN RAILWAY COMPANY**

PLEASE TAKE NOTICE that the undersigned will present the annexed Stipulation and order (the "Proposed Order") dated June 3, 2003 for signature to the Honorable Stuart M. Bernstein, Chief United States Bankruptcy Judge, on August 11, 2003 at 12:00 p.m.

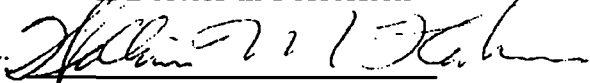
PLEASE TAKE FURTHER NOTICE that objections, if any, to the Proposed Order must be made in writing and received in the Chambers of the Honorable Stuart M. Bernstein, Chief United States Bankruptcy Judge, United States Bankruptcy Court, One Bowling Green, Room 729, New York, New York 10004 and by the undersigned and shall be filed with the Clerk of the Bankruptcy Court in accordance with the Standing General Order of the Bankruptcy Court for the Southern District of New York entered on June 26, 1997, establishing procedures for

electronic filing, no later than 11:30 a.m. on August 11, 2003. Unless objections are received by that time, the Proposed Order may be signed and entered without a hearing.

PLEASE TAKE FURTHER NOTICE that if a written objection is timely filed, the Court will notify the moving and objecting parties of the date and time of the hearing and the moving party's obligation to notify all other parties entitled to receive notice. The moving and objecting parties are required to attend the hearing, and failure to attend in person or by counsel may result in relief being granted or denied upon default.

Dated: New York, New York
July 28, 2003

ANGEL & FRANKEL, P.C.
Attorneys for Cedar Chemical Corporation and
Vicksburg Chemical Corporation
Debtors and Debtors-in-Possession

By: 
Joshua J. Angel, Esq. (JA-3288)
William M. Kahn, Esq. (WK-9254)
460 Park Avenue
New York, NY 10022-1906
(212) 752-8000

To: The Office of the United States Trustee
Counsel to the Creditors' Committee
Counsel for J.P. MorganChase, as Agent to the Pre-Petition Secured Creditors

ANGEL & FRANKEL, P.C.
Attorneys for Cedar Chemical Corporation
and Vicksburg Chemical Company
Debtors and Debtors-in-Possession
460 Park Avenue
New York, New York 10022-1906
(212) 752-8000
Joshua J. Angel, Esq. (JA-3288)
Bruce Frankel, Esq. (BF-9009)
William M. Kahn, Esq. (WK-9254)

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

-----X
In re:

Chapter 11

CEDAR CHEMICAL CORPORATION and
VICKSBURG CHEMICAL COMPANY,

Case Nos. 02-11039 (SMB) and
02-11040 (SMB)
Jointly Administered

Debtors.
-----X

**STIPULATION AND AGREED ORDER
SETTLING PREFERENCE CLAIM (THE STIPULATION)**

WHEREAS, on March 8, 2002 (the "Petition Date"), Vicksburg Chemical Company and Cedar Chemical Corporation ("Debtors") filed voluntary petitions for relief under chapter 11 of title 11 of the United States Code, 11 U.S.C. §§ 101-1330, et. seq., as amended (the "Bankruptcy Code") with the United States Bankruptcy Court for the Southern District of New York (the "Bankruptcy Court");

WHEREAS, within 90 days prior to the Petition Date (the "Preference Period"), Kansas City Southern Railway Company (Defendant) received one or more payments one or both of the Debtors;

WHEREAS, on July 1, 2002, counsel for Debtors sent a letter to Defendant claiming that certain amounts paid by Debtors to Defendant during the Preference Period were preferential

transfers within the meaning of § 547(b) of the Bankruptcy Code and demanding turnover of the alleged preferential payments to Debtors' bankruptcy estate (the "Preference Demand");

WHEREAS, pursuant to § 547(c)(4) of the Bankruptcy Code, Defendant is entitled to a set off against the total amount of Debtors' Preference Demand on account of a new value given by Defendant to Debtors;

WHEREAS, Defendant and Debtors entered into discussions to settle the Preference Demand and to avoid the necessity of litigation;

WHEREAS, Debtors believe that such a resolution is beneficial to the estates in light of the time, expense and uncertainty of litigation that would ensue absent a consensual resolution hereunder;

WHEREAS, in light of the foregoing, Defendant and Debtors desire to enter into the following consensual stipulation of the issues set forth above;

NOW, THEREFORE, in consideration of the foregoing, it is stipulated and agreed by and between Debtors and Defendant (the "Stipulation"), by their respective counsel, as follows:

1. Defendant shall promptly pay to the order of Debtors \$6,500 (the "Settlement Payment") upon the entry of an order approving the Stipulation.
2. In consideration of the Settlement Payment, Defendant shall be allowed an additional general unsecured claim in the total principal amount of \$6,500.
3. Except as specified in paragraph 1 above, Debtors hereby release any of their rights of whatever nature or description to assert any claim, as "claim" is defined in 11 U.S.C. § 101(5), including but not limited to any claim arising under chapter 5 of the Bankruptcy Code

against Defendant or its successors or assigns at any time prior to or subsequent to the Petition Date.

4. This Stipulation contains the entire agreement of the parties with respect to the subject matter hereof and supersedes any other agreement.

5. This Stipulation may not be modified except in writing signed by all parties hereto.

6. This Stipulation may be executed by facsimile and in counterparts, each facsimile being deemed an original and together constituting one original document.

7. This Stipulation shall not be effective until it is "So Ordered" by the Bankruptcy Court.

Dated: New York, New York
June __, 2003

ANGEL & FRANKEL, P.C.
Attorneys for Cedar Chemical Corporation and
Vicksburg Chemical Company
Debtors and Debtors-in-Possession

By: 

Joshua L. Angel, Esq. (JA-3288)

Bruce Frankel, Esq. (BF-9009)


William M. Kahn, Esq. (WK-9254)

Robert M. Schwartz (RS-8643)

460 Park Avenue
New York, New York 10022-1906
(212) 752-8000

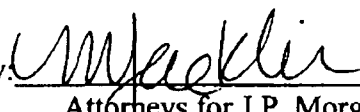
Date: June 3, 2003

Wise Carter Child & Caraway
Professional Association
Post Office Box 651
Jackson, Mississippi 39205
Attorneys for Kansas City Southern Railway
Company

By: 
Henry E. Chatham, Jr., Esq.

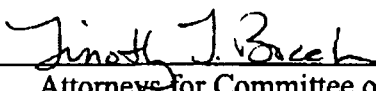
Agreed To:

DAVIS POLK & WARDWELL

By: 
Attorneys for J.P. Morgan Chase
450 Lexington Avenue
New York, New York 10017

Agreed To:

SATTERLESS STEPHENS BURKE & BURKE

By: 
Attorneys for Committee of Creditors
Holding Unsecured Claims Against Debtor
230 Park Avenue
New York, New York 10169-0079

Dated: New York, New York

SO ORDERED

STUART M. BERNSTEIN
CHIEF UNITED STATES BANKRUPTCY
JUDGE

ANGEL & FRANKEL, P.C.
Attorneys for Cedar Chemical Corporation
and Vicksburg Chemical Company
Debtors and Debtors-in-Possession
460 Park Avenue
New York, NY 10022-1906
(212) 752-8000
Joshua J. Angel, Esq. (JA-3288)
William M. Kahn, Esq. (WK-9254)

Presentment Date: August 11, 2003
Time: 12:00 p.m.

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

-----X

In re: Chapter 11

CEDAR CHEMICAL CORPORATION and, Case No. 02-11039 (SMB) and
VICKSBURG CHEMICAL COMPANY, 02-11040 (SMB)

Debtors. Jointly Administered

-----X

**NOTICE OF PRESENTMENT OF STIPULATION AND ORDER
SETTLING PREFERENCE CLAIM AGAINST
GATX RAIL CORPORATION**

PLEASE TAKE NOTICE that the undersigned will present the annexed Stipulation and order (the "Proposed Order") dated December 24, 2002 for signature to the Honorable Stuart M. Bernstein, Chief United States Bankruptcy Judge, on August 11, 2003 at 12:00 p.m.

PLEASE TAKE FURTHER NOTICE that objections, if any, to the Proposed Order must be made in writing and received in the Chambers of the Honorable Stuart M. Bernstein, Chief United States Bankruptcy Judge, United States Bankruptcy Court, One Bowling Green, Room 729, New York, New York 10004 and by the undersigned and shall be filed with the Clerk of the Bankruptcy Court in accordance with the Standing General Order of the Bankruptcy Court for the Southern District of New York entered on June 26, 1997, establishing procedures for electronic filing, no later than 11:30 a.m. on August 11, 2003. Unless objections are received by that time, the Proposed Order may be signed and entered without a hearing.

PLEASE TAKE FURTHER NOTICE that if a written objection is timely filed, the Court will notify the moving and objecting parties of the date and time of the hearing and the moving party's obligation to notify all other parties entitled to receive notice. The moving and objecting parties are required to attend the hearing, and failure to attend in person or by counsel may result in relief being granted or denied upon default.

Dated: New York, New York
July 28, 2003

ANGEL & FRANKEL, P.C.
Attorneys for Cedar Chemical Corporation and
Vicksburg Chemical Corporation
Debtors and Debtors-in-Possession

By: /s/William M. Kahn
Joshua J. Angel, Esq. (JA-3288)
William M. Kahn, Esq. (WK-9254)
460 Park Avenue
New York, NY 10022-1906
(212) 752-8000

To: The Office of the United States Trustee
Counsel to the Creditors' Committee
Counsel for J.P. MorganChase, as Agent to the Pre-Petition Secured Creditors

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

-----X

In re:

Chapter 11

CEDAR CHEMICAL CORPORATION and
VICKBURG CHEMICAL COMPANY,

Case Nos. 02-11039 (SMB) and
02-11040 (SMB)

Debtors.

Jointly Administered

-----X

STIPULATION AND AGREED ORDER SETTLING PREFERENCE CLAIM

WHEREAS, on March 8, 2002 (the "Petition Date"), Vicksburg Chemical Company ("Vicksburg") filed a voluntary petition for relief under chapter 11 of title 11 of the United States Code, 11 U.S.C. §§ 101-1330, et. seq., as amended (the "Bankruptcy Code") with the United States Bankruptcy Court for the Southern District of New York (the "Bankruptcy Court");

WHEREAS, within 90 days prior to the Petition Date (the "Preference Period"), GATX Rail Corporation ("GATX") received one or more payments from Vicksburg totaling in the aggregate \$143,235.00;

WHEREAS, GATX has a claim against Vicksburg's bankruptcy estates in the total principal amount of \$1,681,207.63 arising from rejection of the rail car leases by and between GATX and Vicksburg;

WHEREAS, on July 1, 2002, counsel for Vicksburg sent a letter to GATX claiming that the amounts paid by Vicksburg to GATX during the Preference Period were preferential transfers within the meaning of § 547(b) of the Bankruptcy Code and demanding turnover of \$143,235.00 to Vicksburg's bankruptcy estate (the "Preference Demand");

WHEREAS, pursuant to § 547(c)(4) of the Bankruptcy Code, GATX is entitled to a set off against the total amount of Vicksburg's preference demand on account of new value given by GATX to Vicksburg;

WHEREAS, GATX and Vicksburg have entered into discussions to settle the Preference Demand and to avoid the necessity of litigation;

WHEREAS, Vicksburg believes that such a resolution is beneficial to its estate in light of the time, expense and uncertainty of litigation that would ensue absent a consensual resolution hereunder;

WHEREAS, in light of the foregoing, Vicksburg and GATX desire to enter into the following consensual stipulation of the issues set forth above;

NOW, THEREFORE, in consideration of the foregoing, it is hereby stipulated and agreed by and between Vicksburg and GATX (the "Stipulation"), by their respective counsel, as follows:

1 GATX shall promptly pay to the order of Vicksburg TWENTY THOUSAND DOLLARS AND NO CENTS (\$20,000.00) (the "Settlement payment") upon the entry of an order approving the Stipulation.

2 GATX shall be allowed a general unsecured claim in the total principal amount of ONE MILLION FIVE HUNDRED SEVENTY-SEVEN THOUSAND SEVEN HUNDRED AND SEVEN DOLLARS AND SIXTY THREE CENTS (\$1,577,707.63).

3 Except as specified in paragraph 2 above, Vicksburg hereby waives and releases any of its rights of whatever nature or description to assert any claim, right, cause of action, or interest, whether at law or in equity, known or unknown, including any claims

arising under chapter 5 of the Bankruptcy Code against GATX or its successors or assigns at any time prior to or subsequent to the Petition Date.

4. This Stipulation contains the entire agreement of the parties with respect to the subject matter hereof and supersedes any other agreement or understanding the parties may have with respect to the same.

5. This Stipulation may not be modified except in writing signed by both parties hereto.

6 This Stipulation may be executed by facsimile and in counterparts, each facsimile counterpart being deemed an original and together constituting one original document.

1. This Stipulation shall not be binding on the parties until it is so ordered by the Bankruptcy Court.

Dated: New York, New York

ANGEL & FRANKEL, P.C.
Attorneys for Cedar Chemical Corporation
and Vicksburg Chemical Company
Debtors and Debtors In Possession

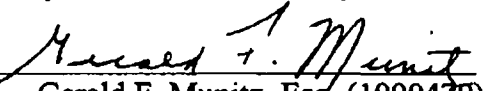
By: 

Joshua J. Angel, Esq. (JA-3288)
Bruce Frankel, Esq. (BF 9009)
Bonnie L. Pollack, Esq. (BP-3771)
Frederick E. Schmidt, Esq. (FS-5277)

460 Park Avenue
New York, NY 10022-1906
(212) 752-8000

Dated: Chicago, Illinois
12/24/02

Attorneys for GATX Rail Corporation

By: 
Gerald F. Munitz, Esq. (1990470)

GOLDBERG, KOHN, BELL, BLACK,
ROSENBLOOM & MORITZ, LTD.
55 East Monroe Street, suite 3700
Chicago, IL 60603
(312) 201.4000

Dated: New York, New York

SO ORDERED

STUART M. BERNSTEIN
CHIEF UNITED STATES BANKRUPTCY JUDGE

Agreed To:
DAVIS POLK & WARDWELL

By: *Myacklin*
Attorneys for J.P. Morgan Chase
- 450 Lexington Avenue
New York, NY 10017

Dated: New York, New York

SO ORDERED

STUART M. BERNSTEIN
CHIEF UNITED STATE BANKRUPTCY
JUDGE

Agreed To:
SATTERLEE STEPHENS BURKE & BURKE

By: *Timothy J. Burke*
Attorneys for Committee of Creditors Holding
Unsecured Claims Against the Debtor
230 Park Avenue
New York, NY 10169-0079

ANGEL & FRANKEL, P.C.
Attorneys for Cedar Chemical Corporation
and Vicksburg Chemical Company
Debtors and Debtors-in-Possession
460 Park Avenue
New York, NY 10022-1906
(212) 752-8000
Joshua J. Angel, Esq. (JA-3288)
William M. Kahn, Esq. (WK-9254)

Presentment Date: August 11, 2003
Time: 12:00 p.m.

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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In re:

Chapter 11

CEDAR CHEMICAL CORPORATION and,
VICKSBURG CHEMICAL COMPANY,

Case No. 02-11039 (SMB) and
02-11040 (SMB)

Debtors.

Jointly Administered

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**NOTICE OF PRESENTMENT OF STIPULATION AND ORDER
SETTLING PREFERENCE CLAIM AGAINST
BRENNTAG MID-SOUTH INC.**

PLEASE TAKE NOTICE that the undersigned will present the annexed Stipulation and order (the "Proposed Order") dated June 10, 2003 for signature to the Honorable Stuart M. Bernstein, Chief United States Bankruptcy Judge, on August 11, 2003 at 12:00 p.m.

PLEASE TAKE FURTHER NOTICE that objections, if any, to the Proposed Order must be made in writing and received in the Chambers of the Honorable Stuart M. Bernstein, Chief United States Bankruptcy Judge, United States Bankruptcy Court, One Bowling Green, Room 729, New York, New York 10004 and by the undersigned and shall be filed with the Clerk of the Bankruptcy Court in accordance with the Standing General Order of the Bankruptcy Court for the Southern District of New York entered on June 26, 1997, establishing procedures for electronic filing, no later than 11:30 a.m. on August 11, 2003. Unless objections are received by that time, the Proposed Order may be signed and entered without a hearing.

PLEASE TAKE FURTHER NOTICE that if a written objection is timely filed, the Court will notify the moving and objecting parties of the date and time of the hearing and the moving party's obligation to notify all other parties entitled to receive notice. The moving and objecting parties are required to attend the hearing, and failure to attend in person or by counsel may result in relief being granted or denied upon default.

Dated: New York, New York
July 28, 2003

ANGEL & FRANKEL, P.C.
Attorneys for Cedar Chemical Corporation and
Vicksburg Chemical Corporation
Debtors and Debtors-in-Possession

By: /s/William M. Kahn
Joshua J. Angel, Esq. (JA-3288)
William M. Kahn, Esq. (WK-9254)
460 Park Avenue
New York, NY 10022-1906
(212) 752-8000

To: The Office of the United States Trustee
Counsel to the Creditors' Committee
Counsel for J.P. MorganChase, as Agent to the Pre-Petition Secured Creditors

ANGEL & FRANKEL, P.C.
Attorneys for Cedar Chemical Corporation
and Vicksburg Chemical Company
Debtors and Debtors-in-Possession
460 Park Avenue
New York, NY 10022-1906
(212) 752-8000
Joshua J. Angel, Esq. (JA-3288)
William M. Kahn, Esq. (WK-9254)

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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In re:

Chapter 11

CEDAR CHEMICAL CORPORATION and
VICKSBURG CHEMICAL COMPANY,

Case Nos. 02-11039 (SMB) and
02-11040 (SMB)
Jointly Administered

Debtors.

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STIPULATION AND AGREED ORDER
SETTLING PREFERENCE CLAIM (THE STIPULATION)

WHEREAS, on March 8, 2002 (the "Petition Date"), Cedar Chemical Corporation ("Debtor") filed a voluntary petition for relief under chapter 11 of title 11 of the United States Code, 11 U.S.C. §§ 101-1330, et. seq., as amended (the "Bankruptcy Code") with the United States Bankruptcy Court for the Southern District of New York (the "Bankruptcy Court");

WHEREAS, within 90 days prior to the Petition Date (the "Preference Period"), Brenntag Mid-South, Inc., (Defendant) received one or more payments from Debtor totaling in the aggregate \$40,653.18;

WHEREAS, on July 1, 2002, counsel for Debtor sent a letter to Defendant claiming that certain amounts paid by Debtor to Defendant during the Preference Period were preferential transfers within the meaning of § 547(b) of the Bankruptcy Code and demanding turnover of the

alleged preferential payments to Debtor's bankruptcy estate (the "Preference Demand");

WHEREAS, pursuant to § 547(c)(4) of the Bankruptcy Code, Defendant is entitled to a set off against the total amount of Debtor's preference demand on account of a new value of \$13,412.50 given by Defendant to Debtor;

WHEREAS, Defendant and Debtor entered into discussions to settle the Preference Demand and to avoid the necessity of litigation;

WHEREAS, Debtor believes that such a resolution is beneficial to its estate in light of the time, expense and uncertainty of litigation that would ensue absent a consensual resolution hereunder;

WHEREAS, in light of the foregoing, Defendant and Debtor desire to enter into the following consensual stipulation of the issues set forth above;

NOW, THEREFORE, in consideration of the foregoing, it is stipulated and agreed by and between Debtor and Defendant (the "Stipulation"), by their respective counsel, as follows:

1. Defendant shall promptly pay to the order of Debtor \$17,500 (the "Settlement payment") upon the entry of an order approving the Stipulation.
2. Defendant shall be allowed a general unsecured claim in the total principal amount of \$77,341.00.
3. Except as specified in paragraph 1 above, Debtor hereby releases any of its rights of whatever nature or description to assert any claim, as "claim" is defined in 11 U.S.C. § 101(5) including but not limited to any claim arising under chapter 5 of the Bankruptcy Code against Defendant or its successors or assigns at any time prior to or subsequent to the Petition Date.
4. This Stipulation contains the entire agreement of the parties with respect to the subject matter hereof and supersedes any other agreement.

5. This Stipulation may not be modified except in writing signed by both parties hereto.

6. This Stipulation may be executed by facsimile and in counterparts, each facsimile being deemed an original and together constituting one original document.

7. This Stipulation shall not be effective until it is "So Ordered" by the Bankruptcy Court.

Dated: New York, New York
May 19, 2003

ANGEL & FRANKEL, P.C.
Attorneys for Cedar Chemical Corporation
and Vicksburg Chemical Company
Debtors and Debtors in Possession

By: /s/William M. Kahn
Joshua J. Angel, Esq. (JA 3288)
William M. Kahn, Esq. (WK-9254)
460 Park Avenue
New York, New York 10022-1906
(212) 752-8000

Dated: June 10, 2003

BRENNTAG MID-SOUTH, INC.
Section 970
Louisville, KY 40289

By: /s/J.C. Cavins
John Cavins, Chief Financial Officer

Agreed To:
DAVIS POLK & WARDWELL

Agreed To:
SATTERLEE STEPHENS BURKE & BURKE

By: /s/M Jaeklin
Attorneys for J.P. Morgan Chase
450 Lexington Avenue
New York, NY 10017

By: /s/Timothy J. Brock
Attorneys for Committee of Creditors Holding
Unsecured Claims Against the Debtor
230 Park Avenue
New York, NY 10169-0079

Dated: New York, New York

SO ORDERED

STUART M. BERNSTEIN

CHIEF UNITED STATE BANKRUPTCY
JUDGE